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EMIGRATION FROM HONG KONG

Organisational Survey

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EMIGRATION FROM HONG KONG:

EVIDENCE FROM ORGANISATIONS

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INTRODUCTION

On the 1st July 1997 Hong Kong loses its present status as a British Dependent Territory and becomes part of the People's Republic of China (PRC). The UK and PRC signed Joint Declaration on the future of HK stipulates that the PRC will not attempt to influence HK in the run up to 1997; will then run HK as an autonomous Special Administrative Region; and guarantees the continuation of HK's unique social, economic, legal and other systems for 50 years after 1997. Despite these promises and re-assurances many people still remain skeptical and uneasy, particularly after the events of June 4th 1989 in the PRC, events which may have resulted in an increase in the number of people emigrating from HK. The debate over the extent of the emigration problem is currently in full swing. Not surprisingly, considering its role to bolster confidence in the territory, the HK Government has, until comparatively recently, taken the line that the numbers are very small and most of the emigrants return to HK after securing a second passport. On the other hand there has been a great deal of wild speculation in the popular media which portrays the problem as a massive 'brain drain'. Both tend to take a generalised look at the situation. One of the major problems in the debate has been the absence of data, in specific detailed form relating to the impact of emigration on organisations.

In order to help remedy this situation, the Hong Kong Institute of Personnel Management (HKIPM) decided to commission a small scale pilot survey in 1988 (Kirkbride and Chan, 1988; Kirkbride and Tang, 1989 a). This survey showed that emigration had been rising over the period studied (1982-1987) with a particularly sharp increase from 1986 to 1987. It was then decided to expand this survey and in 1989 the HKIPM undertook a much larger organisational study (which is reported here) and a parallel survey of professionals (Kirkbride, Tang, and Ko, 1989).

Both surveys were organised by the Hong Kong Institute of Personnel Management and supported by The Hong Kong General Chamber of Commerce, The Hong Kong and China Gas Company Ltd., Hutchison Whampoa Ltd., Jardine Matheson and Company Ltd., and Sime Darby Hong Kong Ltd.

This report presents the data gathered in the organisational study and seeks to establish the extent and parameters of the emigration problem in Hong Kong. Information on the impact of emigration on organisations and their responses to the problem will be described and discussed. The research project is of practical and immediate use to both indigenous HK companies and multi-nationals operating in Hong Kong, as well as to those organisations currently considering the feasibility of locating in Hong Kong. All these types of organisation need to be aware of the extent of the problem and the possible implications for personnel practice. It is hoped that results from this study will provide valuable information to people and organisations affected by or concerned about the emigration problem and identify potential organisational solutions.

METHODOLOGY

A questionnaire survey was used to collect data from organisations of different sizes and from different industries. A 6-page questionnaire (Appendix I) made up of 22 questions was designed. Respondents were asked about recruitment, resignations, emigration turnover and emigrant demographics in 1987 and 1988. Responses to the impact of emigration on hiring, promotion, training and development were also sought. 3,000 questionnaires were sent out in the first mailing in January, 1989 and 850 follow-ups were dispatched after the first return deadline had passed. The sampling frame for this project was derived from a Census and Statistics Department computer tape that contains information on all companies/organisations in Hong Kong in 1987. Random sampling, stratified by company size, was used to set up the mailing list. A detailed breakdown of the sample components is given in Table 1.

Table 1. Sampling Distribution

Size	Total number of companies in the Population	Sampling %	Total number of companies in the Sample
20-99 employees	15,734	10%	1,555
100-199 employees	1,661	27%	455
200+ employees	990	100%	990
	18,385		3,000

RESPONSE RATES

A total of 224 replies were received, which constitutes a response rate of 7.5 percent. This somewhat low response rate may due to the fact that many companies do not keep any employee data in relations to emigration. The distribution of returns by industrial category is represented in Table 2.

Table 2 Return Rates By Industrial Category

Industry	Number of returns	distribution of returns (%)*
1. Agricultural and fishing	1	0.4
2. Mining and quarrying	1	0.4
3. Manufacturing	70	31.3
4. Electricity/gas/water	2	0.9
5. Construction	8	3.6
6. Wholesale/retail/restaurants/hotels, import/export	37	16.5
7. Transport/storage/communication	25	11.2
8. Financing/insurance/real estate/ business and professional services	59	26.3
9. Services (excluding those in 8.)	40	17.9
10. Other	3	1.3
	246**	109.8

* Each % is based on the actual total number of returns (224).
** This number exceeds the actual total because some organisations fit in more than one category.

Return rates by company size show a over-representation of the larger companies (see table 3). This is in line with our sampling strategy in that we wished to obtain more data from companies with larger workforces as they were likely to be more affected by emigration. In addition, these larger companies were more likely to keep better employee data thus enabling them to complete our questionnaires.

Table 3 Return Rates By Company Size

Size	Number of returns 1987	Number of returns 1988	% of returns 1987	% of returns 1988
1-99 employees	40	40	17.9	17.9
100-199 employees	25	32	11.2	14.3
200+ employees	137	149	61.2	66.5
Not specified	22	3	9.8	1.3
	224	224	100.0	100.0

FINDINGS

The discussion of the findings will focus on all but two industrial sectors. We have omitted "agricultural and fishing" and "mining and quarrying" due to the low response rates (one organisation from each of these two categories).

1. Staffing

The staffing situation of the responding companies in 1987 and 1988 was investigated and the results are summarised in Table 4. There was a general increase in the number of staff hired in all industrial categories except utilities. Two industries, manufacturing and wholesale/retail/restaurant/hotel/import/export appeared to have experienced great increases in their workforce size. There were also increases in the number of staff resignations, number of staff emigrating as well as number of staff returning to the HK workforce with a second passport (returnees) in all industries for the period 1987 to 1988.

Overall, the aggregate number of staff employed in all industries in our sample increased by 12.7 per cent, the aggregate number of staff resigning increased by 40 per cent, the aggregate number of people emigrating increased by 82 per cent and the aggregate number of returnees increased by 88 per cent. Although the percentage increase in returnees appears to be large, the proportion of returnees to emigrants remains low (8 per cent in both 1987 and 1988). These figures do not support the government's optimistic view that the number of people emigrated will be balanced by the number of people returned.

Table 4. Emigration Rates

	Total # Staff hired		Total # Staff resigning		Total # emigrating		Total # of returnees	
	1987	1988	1987	1988	1987	1988	1987	1988
Manufacturing	23542	28873	8134	11767	139	250	29	44
Electricity,gas and water	8388	8365	439	625	87	114	0	2
Construction	4696	4749	931	1213	36	51	0	2
Wholesale/retail/restaurant/hotel/import/export	22541	28327	6034	7493	84	214	6	16
Transport/storage/communication	35747	39953	5682	9867	249	526	13	32
Finance/insurance/real estate/business and professional services	46366	49480	10673	16147	562	929	42	72
Other services	17716	18874	4382	4637	135	227	23	39
Overall	145716	164277	31361	43920	1156	2106	95	179

* Overall may not equal exactly the row total because a responding company may belong to more than one industry category. Such deviation applies to all relevant tables.

2. Turnover Rates

Labour turnover rates are the total number of staff resigning expressed as a percentage of the average number of staff employed during year. These were calculated in two ways. Firstly, the average of the turnover rates for all companies in a particular industrial sector, i.e. the "Arithmetic Average". This takes no account of the size of each company. Secondly the "Weighted Average" which weights each company's turnover rate by the size of the company. This is equal to the total number of resignations in an industrial sector divided by the total number of employees in that sector. The former represents labour fluctuation at company level in an industrial sector. The Weighted Average, on the other hand, represents the extent of manpower outflow due to staff turnover from the industry as a whole. These rates are shown in detail in Figures 1a-1b.

The Arithmetic Average turnover rates increased from 1987 to 1988 in all industries, in particular the transport/storage/communication sector (by 46 per cent), and finance/insurance/ real estate/business and professional services (by 30 per cent). The Weighted Average turnover rates also increased for all sectors with the exception of wholesale/retail/restaurant/hotel/import/export and other services. Finance/insurance/real estate/business & professional services had the biggest increase in manpower turnover at industrial level from 1987 to 1988 as reflected by the highest increase in the Weighted Average turnover rate (42 per cent). In terms of absolute figures, wholesale/retail/restaurant/hotel/import/export had the highest labour turnover at company level (Arithmetic Average of 37.7 per cent) while manufacturing had the highest labour turnover at industrial level (Weighted Average of 40.8 per cent) in 1988. This finding is consistent with the Report on Hong Kong's Labour Shortage (1989) which estimated that the manufacturing, construction, hotels and retail sectors had the hardest hit in terms of labour shortage.

Figure 1a : Arithmetic Average Turnover Rate

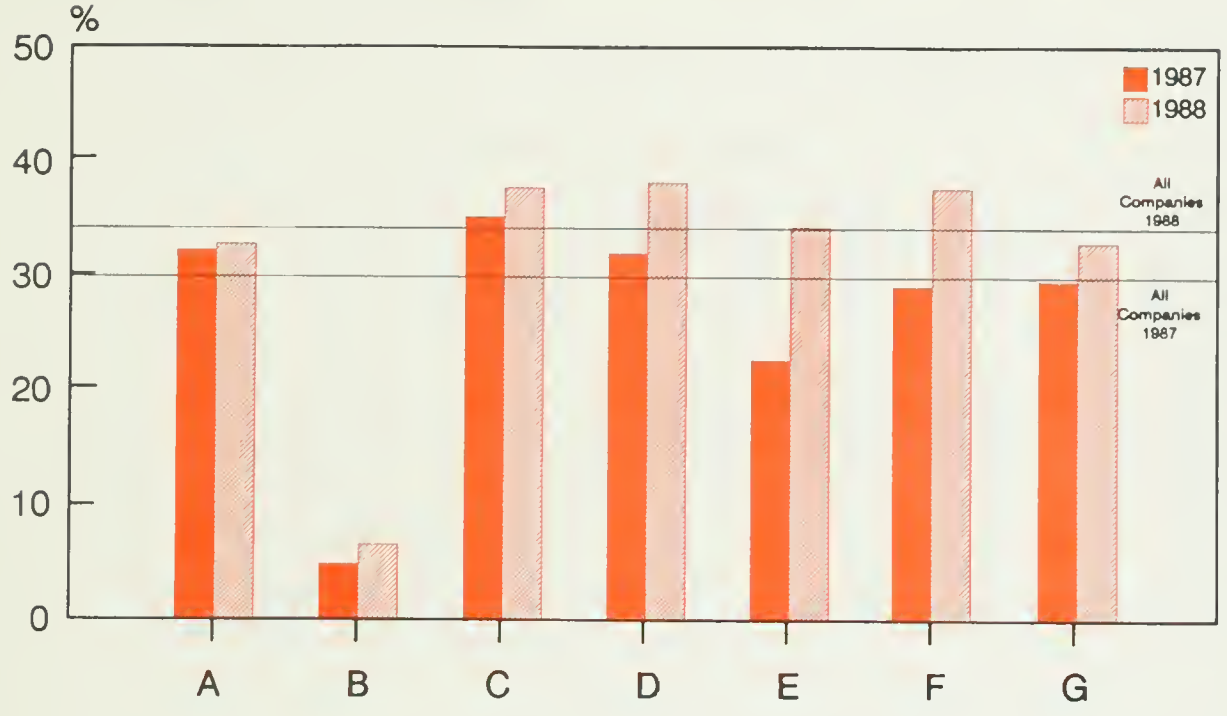
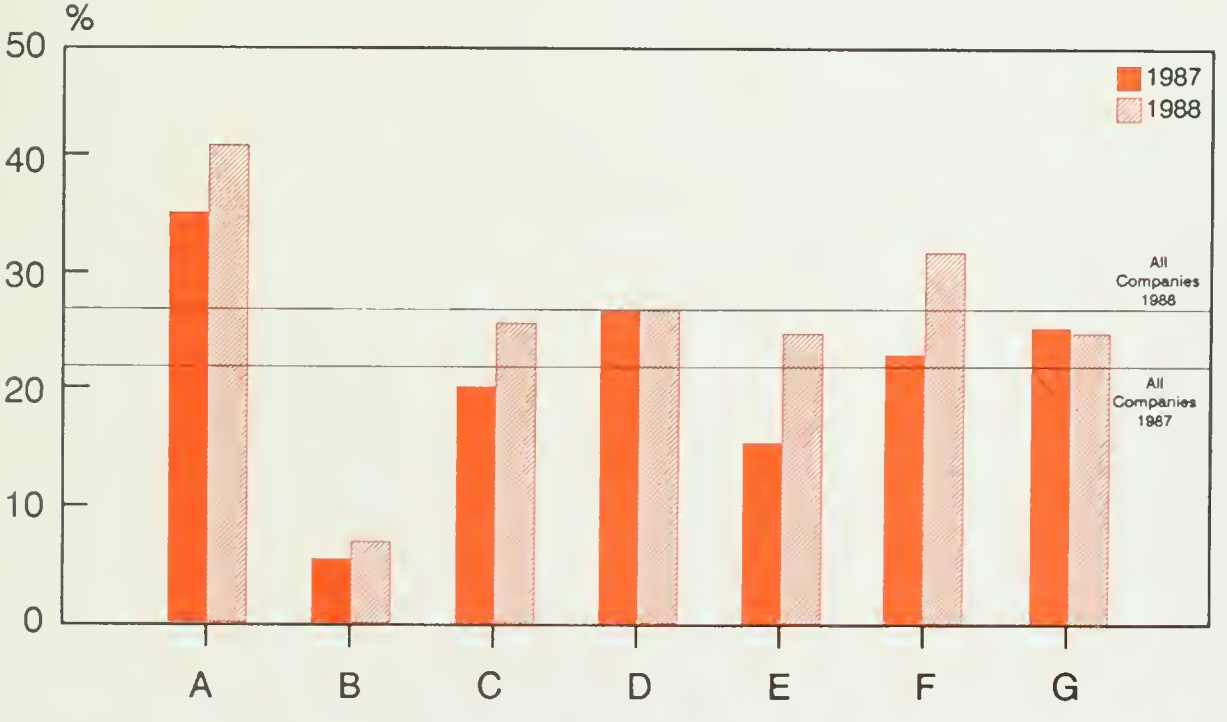


Figure 1b : Weighted Average Turnover Rate



A : Manufacturing
B : Electricity/Gas/Water
C : Construction
D : Wholesale/Retail/Restaurant/Hotel/Import/Export
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

3. Emigration Turnover Rates

The rate of turnover due exclusively to emigration was calculated in two ways:-

Firstly, as a percentage of the workforce,

$$\text{i.e. Emigration Rate 1} = \frac{\text{Number of Staff Emigrating}}{\text{Average Number of Staff Employed}}$$

Secondly, as a percentage of the overall turnover rate for all reasons,

$$\text{i.e. Emigration Rate 2} = \frac{\text{Number of Staff Emigrating}}{\text{Number of Staff Leaving for All Reasons}}$$

In both cases, the Arithmetic Average and the Weighted Average were calculated.

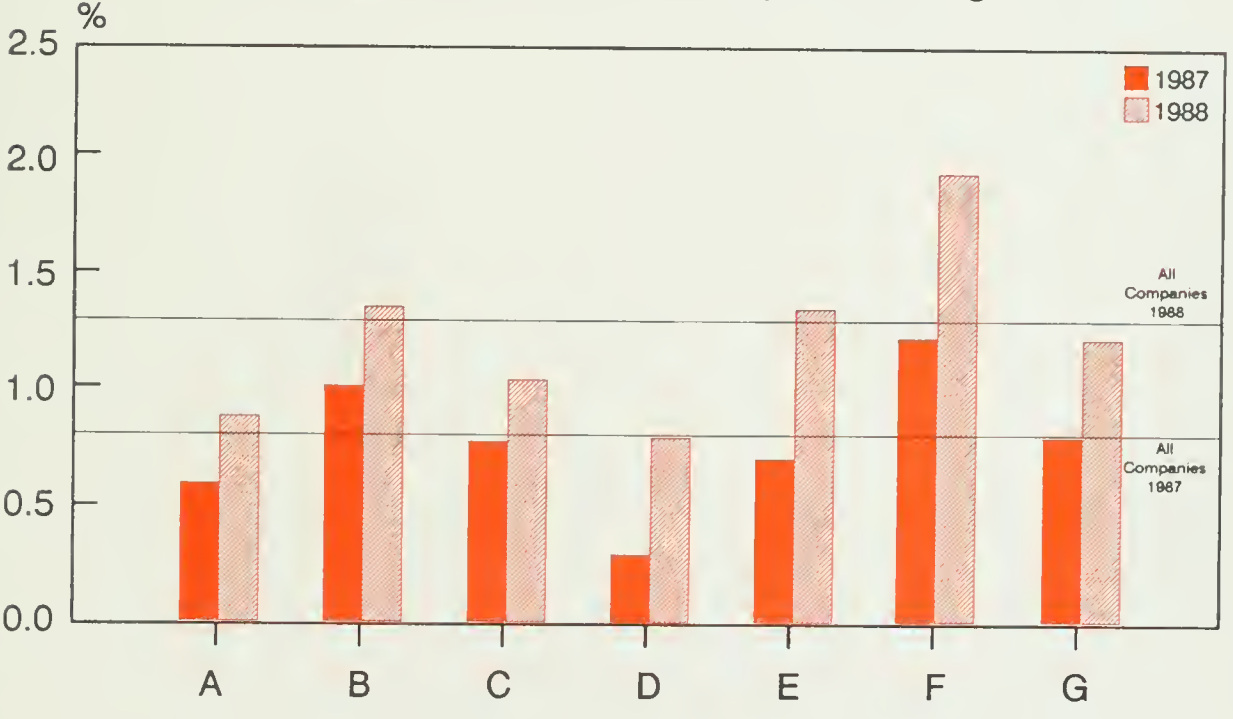
The emigration turnover rates of the various industrial groups are represented by Figures 2a-d.

Figure 2a : Emigration Turnover as a Percentage of the Workforce- Arithmetic Average

Rate 1

Figure 2b : Emigration Turnover as a Percentage of the Workforce- Weighted Average

Rate 1



A : Manufacturing
B : Electricity/Gas/Water
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D : Wholesale/Retail/Restaurant/Hotel/Import/Export
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G : Other Services

Figure 2c : Emigration Turnover as a Percentage of the Overall Turnover Rate - Arithmetic Average

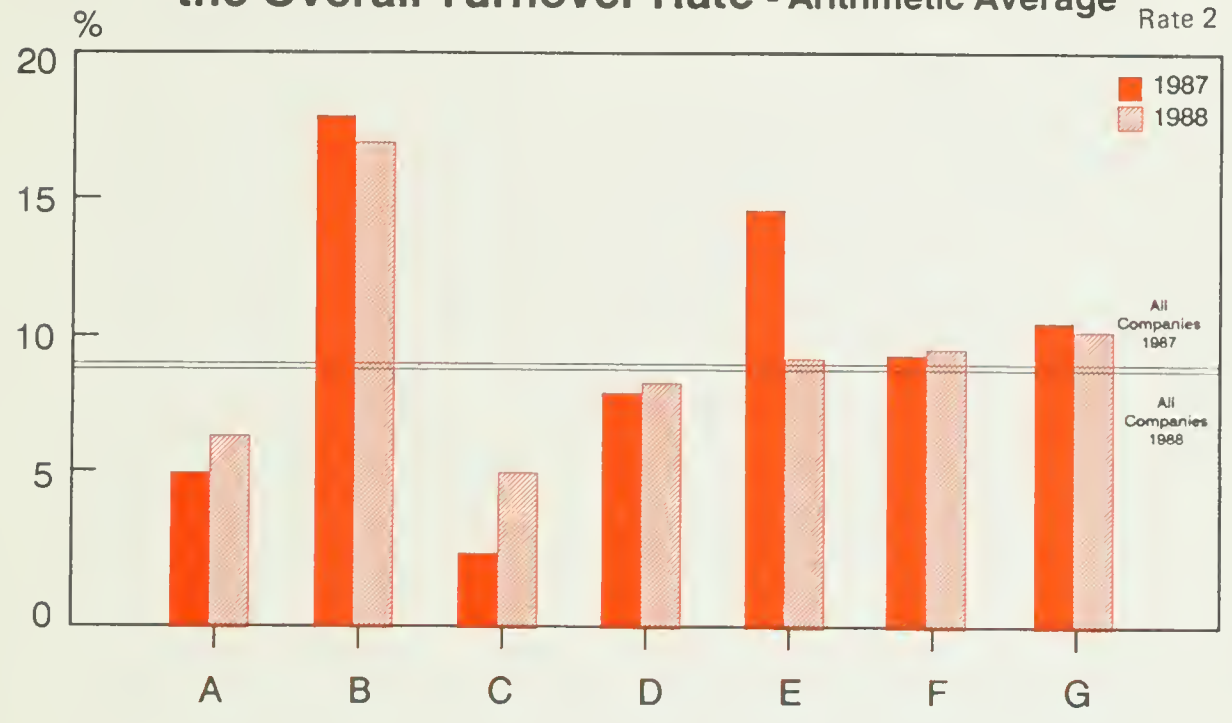
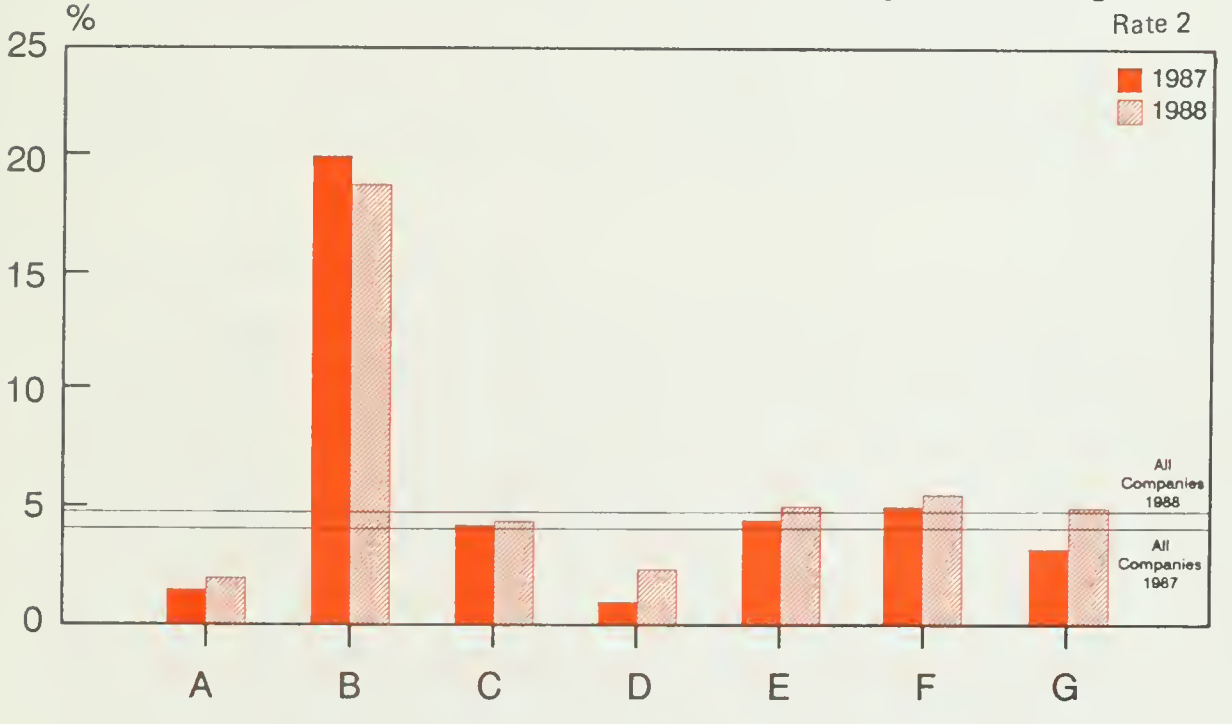


Figure 2d : Emigration Turnover as a Percentage of the Overall Turnover Rate- Weighted Average



A : Manufacturing
B : Electricity/Gas/Water
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D : Wholesale/Retail/Restaurant/Hotel/Import/Export
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

a) Company-level Emigration Turnover

Arithmetic Average emigration rates 1 & 2 were analysed to show the company-level emigration turnover trends. Rate 1 indicates that the emigration rate had increased quite significantly in the 1987-88 period. For example, in manufacturing (by 96 per cent); construction (by 50 per cent); finance/insurance/real estate/ business & professional services (by 44 per cent), but rather less in utilities (by 31 per cent), transport/storage/ communication (by 28 per cent), wholesale/retail/restaurant/ hotel/import/export (by 13 per cent) and other services (30 per cent). In terms of absolute figures, the finance/insurance/real estate/business and professional services had the highest emigration rates in both 1987 and 1988 (1.53 per cent and 2.21 per cent respectively). Hence, this industrial sector suffered most seriously at company level in terms of emigration outflow during the last two years. The Arithmetic Average emigration rate 1 of all companies in the sample was 0.99 per cent in 1987 and 1.45 per cent in 1988 representing an overall increase of 46 per cent (Figure 2a).

Arithmetic Average emigration rate 2 which measures the proportion of resignations due to emigration shows a slightly different picture. The construction and manufacturing sectors had the highest jump in this rate (by 120 per cent and 32 per cent respectively), followed by wholesale/retail/restaurant/ hotel/import/export (by 3 per cent), finance/insurance/real estate/business & professional services (by 2 per cent). Utilities, transport/storage/communication and other services had a decline in this rate over the two-year period. The Arithmetic Average rate 2 of the whole sample shows a 2 per cent decline (9.1 per cent in 1987 and 8.9 per cent in 1988)(Figure 2c) -- much less than the corresponding increase for rate 1. These differences reflect that some industries in particular the utilities, transport/storage/communication and other services suffered a more serious labour turnover trend than emigration turnover from 1987 to 1988.

b) Industry-level Emigration Rates

On the aggregate level, wholesale/retail/restaurant/hotel/import/ export had the highest rise of over 100 per cent in the Weighted Averages of both rates 1 & 2. The second highest increase in the Weighted Average emigration rate 1 is transport/communication (89 per cent), followed by other services (58 per cent), finance/insurance/real estate/business and professional services (55 per cent), manufacturing (47 per cent), construction (39 per cent) and utilities (31 per cent). The increase in this rate of the whole sample is 62 per cent (0.79 per cent in 1987 and 1.28 per cent in 1988)(Figure 2b). The percentage increase is higher than the government statistics (53% increase from 1987 to 1988) provided by the Special Task Force. This could be explained by the fact that our data only measures the emigration level in the working population while the government data include all family members who emigrate. The absolute figures show that the finance/insurance/real estate/business and professional services again suffered most in the last two years in emigration turnover at the industrial level (1.2 per cent and 1.88 per cent respectively in 1987 and 1988).

For the Weighted Average emigration rate 2, the highest increase between 1987 and 1988 again is wholesale/retail/restaurant/ hotel/import/export (107 per cent) followed by other services (59 per cent), manufacturing (24 per cent), transport/storage communication (22 per cent), finance/insurance/real estate/ business and professional services (9 per cent). There is a slight decline in this ratio in the utilities. The overall rate of all industries increased by 30 per cent between 1987 and 1988 (3.7 per cent and 4.8 per cent respectively in the two years)(Figure 2d). In terms of absolute percentage, the industry-level emigration rates fall short of those at the company level in all sectors except for utilities reflecting that emigration had a greater impact at individual company level than at industry level.

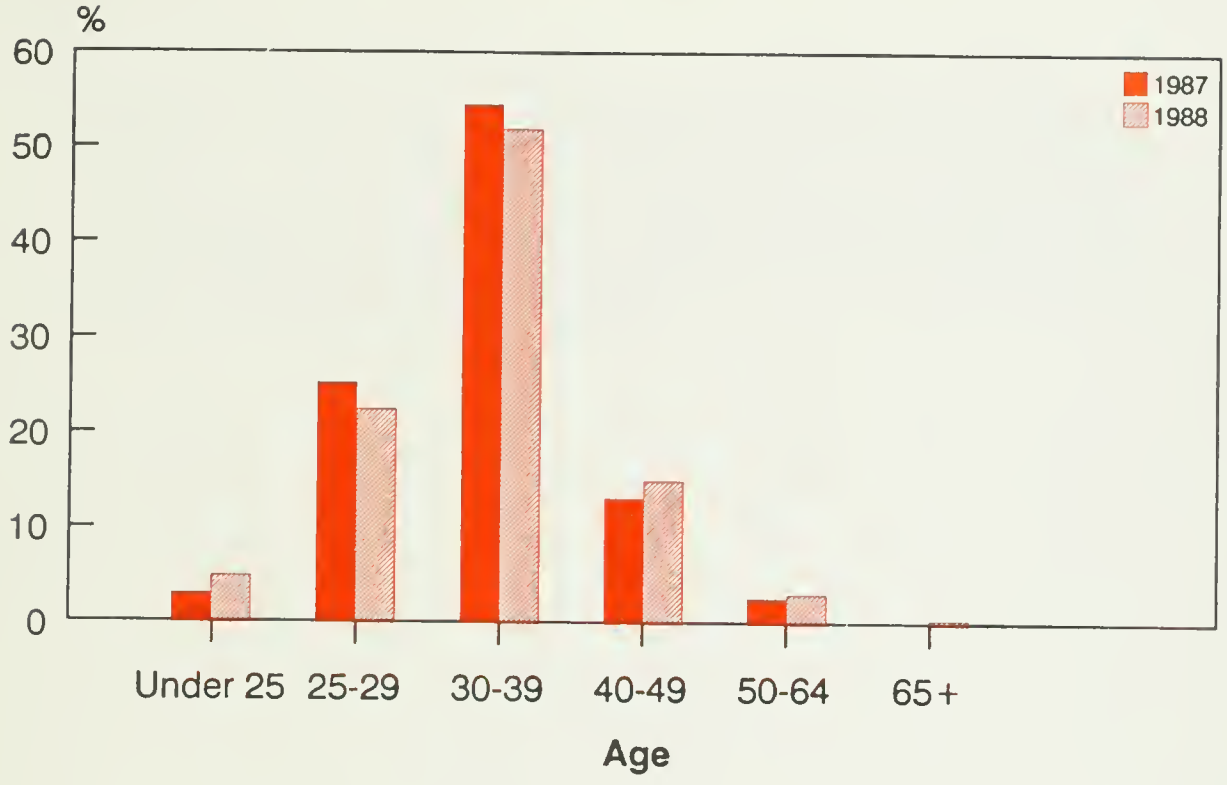
4. Emigrant Characteristics

It can be argued that the overall figures quoted in the earlier sections and the total emigration figures quoted by Government (45,000 in 1988) tend to minimize the real importance of the problem. This is clearly delineated when one considers the demographics of emigrants.

a) Age

The Hong Kong Government has recently announced that the age profile of emigrants, as compared to the total population, is disproportionately higher in the 25 to 44 age group and disproportionately lower in other age groups. Our findings show a similar pattern (see figures 3). The overall distribution indicates that more than half of the emigrants were between 30-39 in age. This could be explained by the fact that people in this age group have the greatest potential to emigrate in terms of career development and physical condition. In fact, about 75-80% of the emigrants came from the 25-39 age range across most of these industrial groups. This finding is also in line with earlier results from a smaller scale project studying the period 1982 to 1987 (Kirkbride and Chan, 1988). This uneven distribution of emigrants could upset the age structures of companies and may eventually cause problems in areas such as management succession.

Figure 3 : Age Profile of Emigrants



b) Sex

Sex differences reveal that on the whole men were more likely to emigrate than women at an approximate ratio of 3:2 in both years (Figures 4a-b). This ratio, however, varies across industrial sectors. In utilities, about 90 per cent of the emigrants were men (possibly due to the concentration of engineers and technical professionals in this sector) whereas in other services (which include educational and social services) there were actually more female emigrants than male emigrants.

Figure 4a : Sex Distribution of Emigrants, 1987

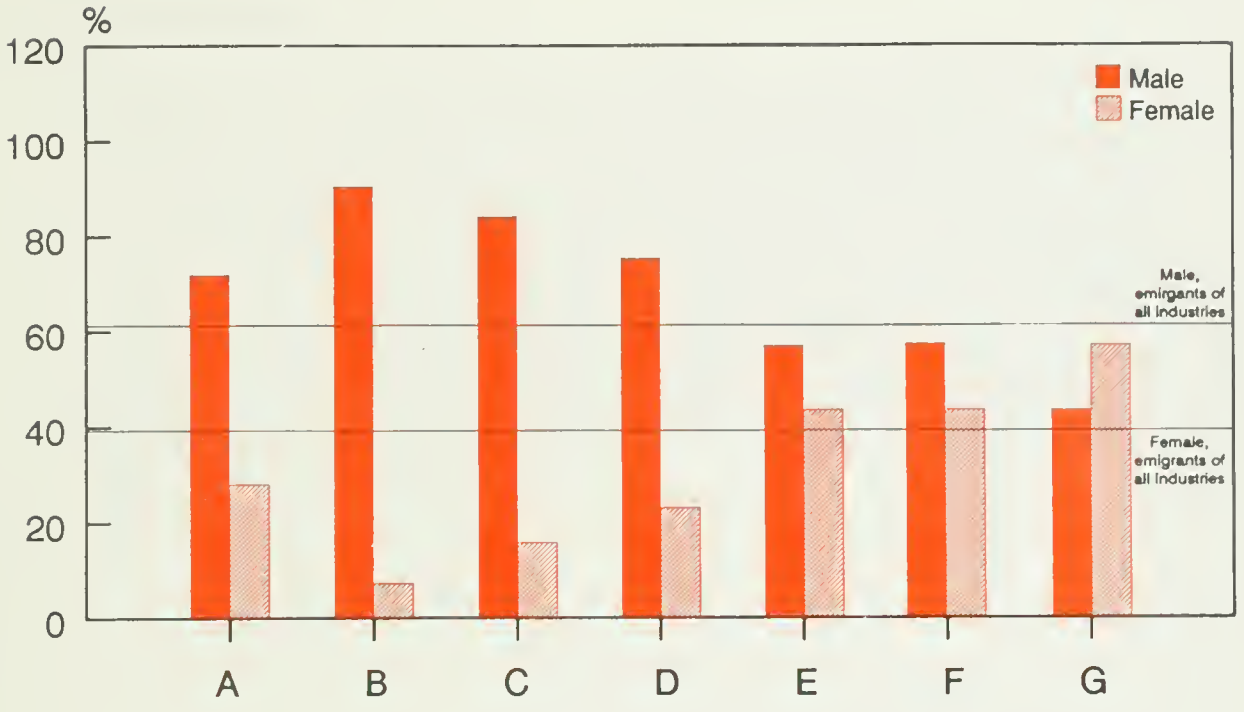
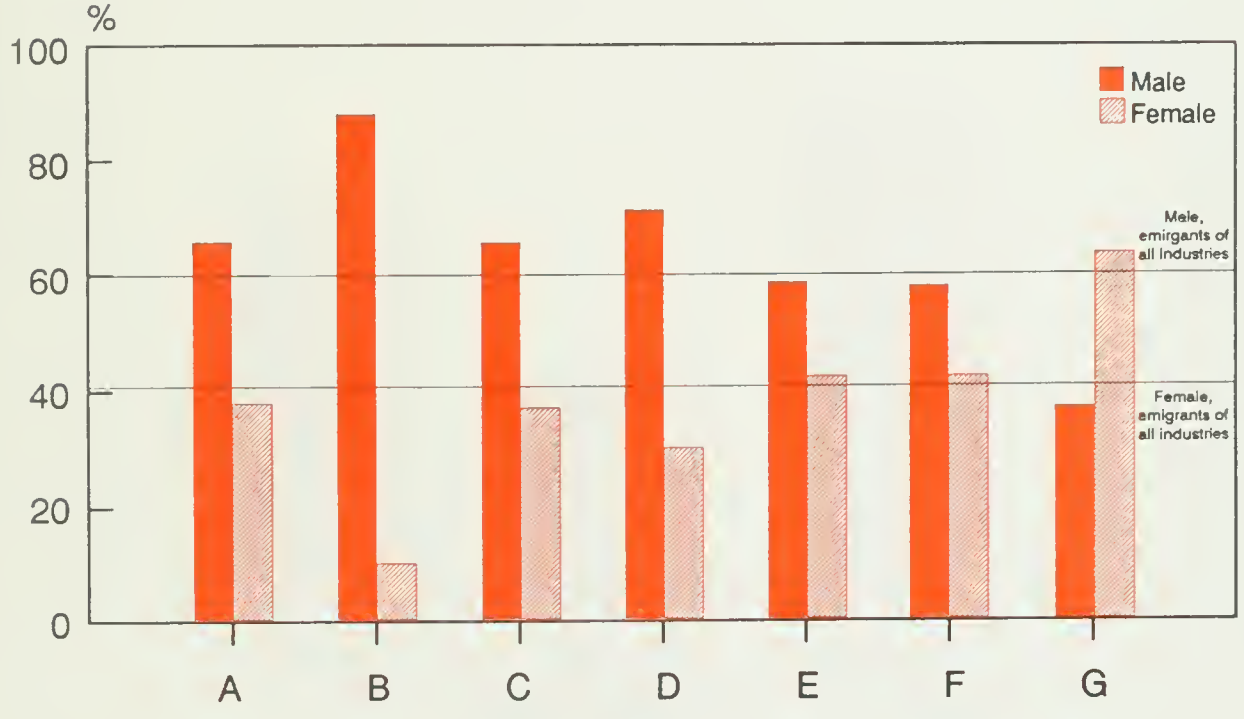


Figure 4b : Sex Distribution of Emigrants, 1988



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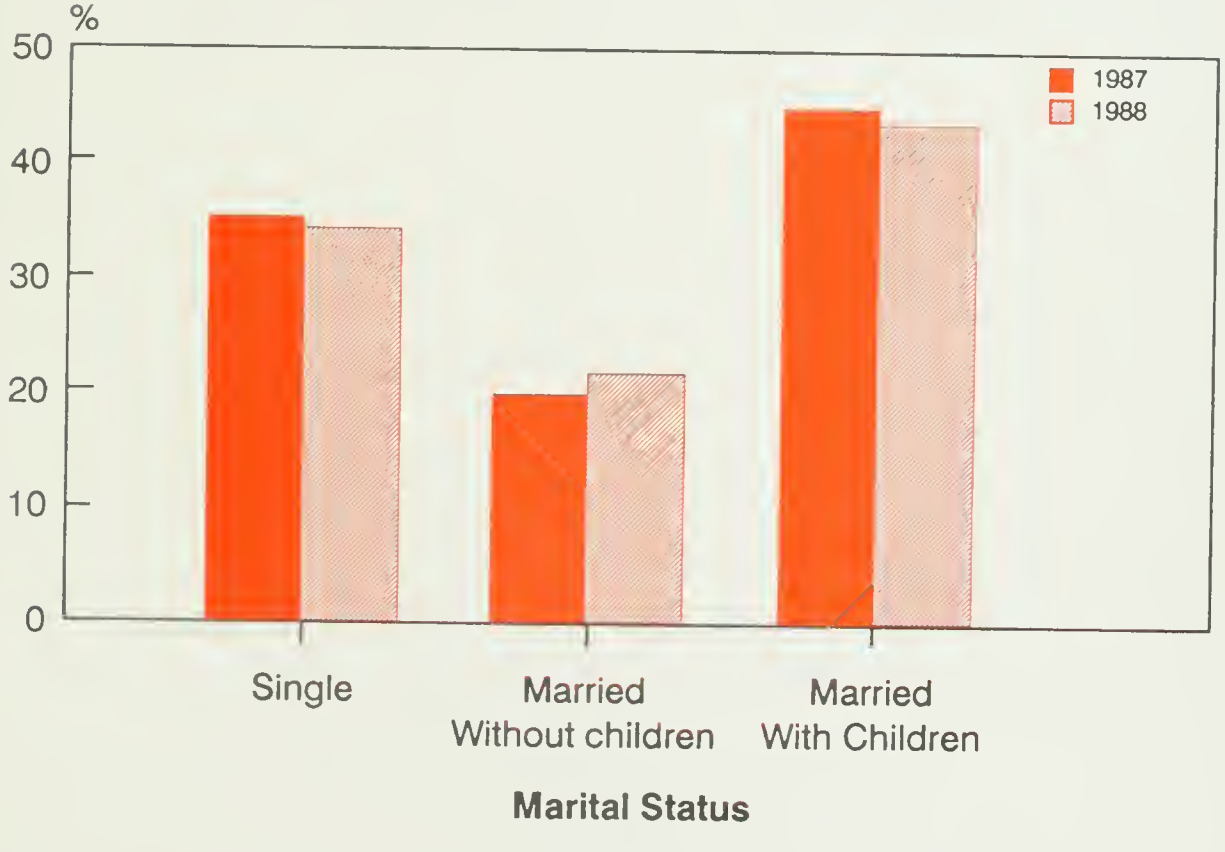
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

c) Marital Status

Emigration as a function of marital status is represented in Figure 5. The data show that those who were single or who had children were more prone to emigration. Single people probably face fewer constraints in making a long-distance move than married people. In the case of those with children, emigration may be associated with concern for the future, also such parents are likely to be at the age where they have acquired more financial resources than their childless and younger counterparts, and are thus more capable of emigrating abroad. It is probably much too early for the emigration of children to have any serious impact on Hong Kong but we need to be aware of the potential future impacts on the working population age profile and possible labour shortage.

Figure 5 : Marital Status of Emigrants



d) Education

Education is an asset to a prospective emigrant because it enables a person to adapt to a new environment as well as providing the necessary skills which are important factors in the immigration screening process. The highest education level attained by emigrants was asked in our questionnaire. The distribution as shown in Figures 6a-h suggests that the majority of emigrants had up to secondary education. On the whole, more than half of our sampled emigrants were either post-secondary or university graduates (60 per cent in 1987 and 54 per cent in 1988) (Figure 6a). If we look in detail at the different industries we can see some different patterns. In manufacturing, construction, and other services, there were more graduate emigrants (Figures 6b, 6d and 6h). In utilities (Figure 6c) there were more post-secondary graduates among the emigrants. In wholesale/retail/restaurant/hotel/import/export, transport/storage/communication, and finance/insurance/real estate/business and professional services (Figures 6e, 6f, 6g), the secondary school leavers were the largest group. The proportion of post-secondary and university graduates was alarmingly high comparing to the percentage of graduates in the working population. As higher education in Hong Kong has never been adequate in the past, the emigration of these graduates will exacerbate the problem. It could be argued that the recent expansion of tertiary education could help to alleviate the situation. However, fresh graduates are not direct equivalents of experienced graduates and the effect can only be felt several years later. The emigration of well qualified trainers and educators would also limit the sudden expansion of higher education facilities in Hong Kong.

Figure 6a : Education Level of Emigrants

Overall

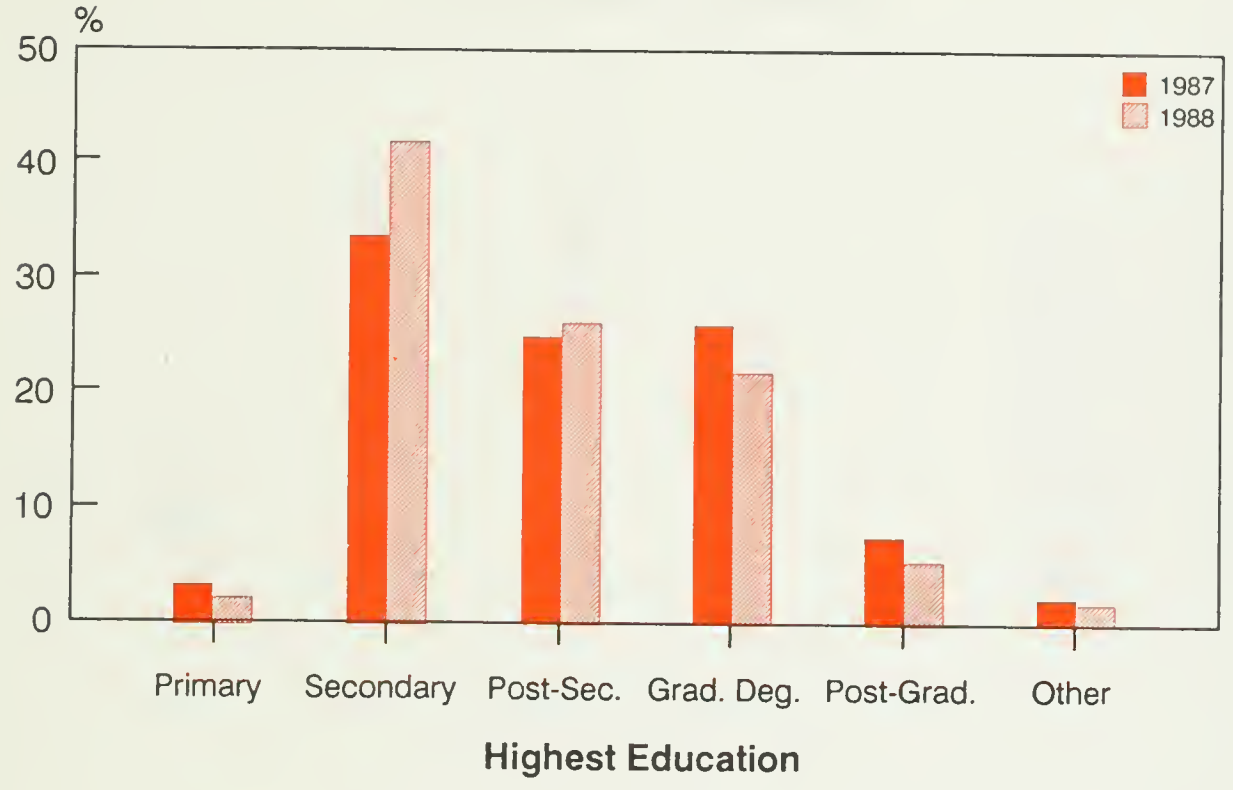


Figure 6b : Education Level of Emigrants

Manufacturing

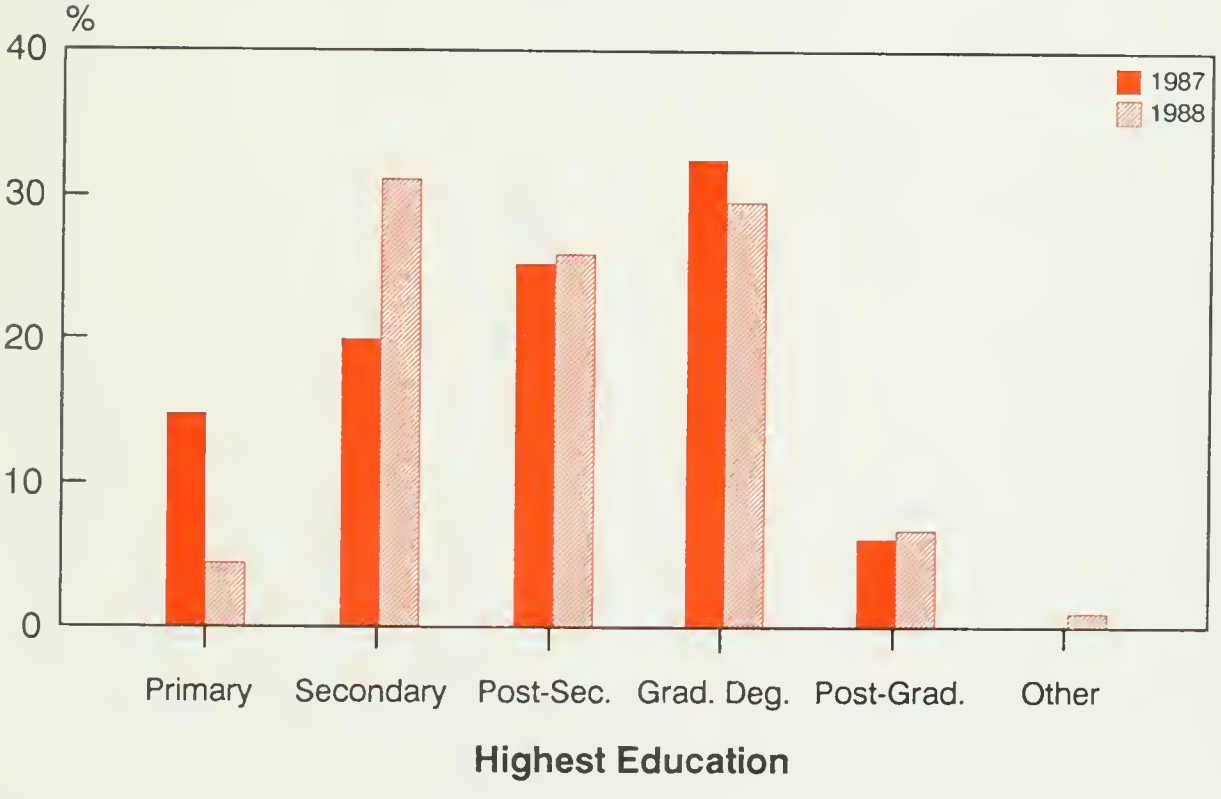


Figure 6c : Education Level of Emigrants

Electricity, Gas and Water

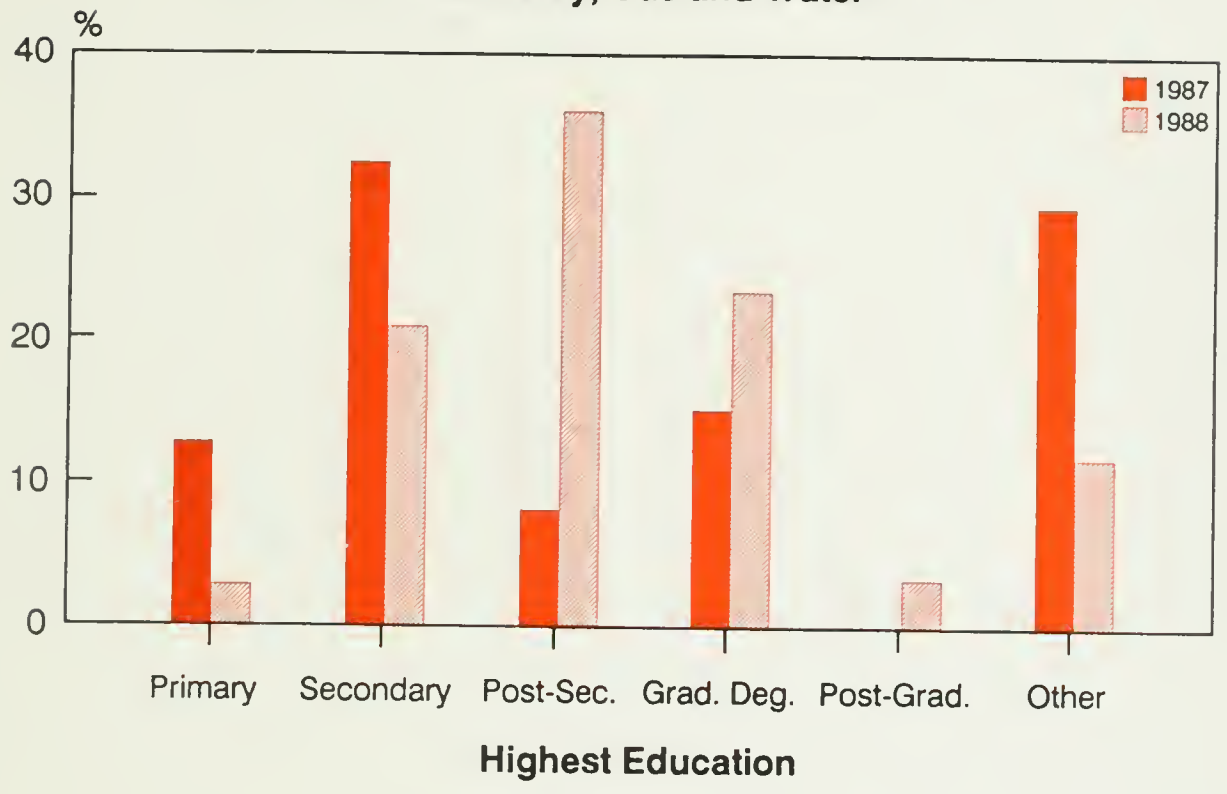


Figure 6d : Education Level of Emigrants

Construction

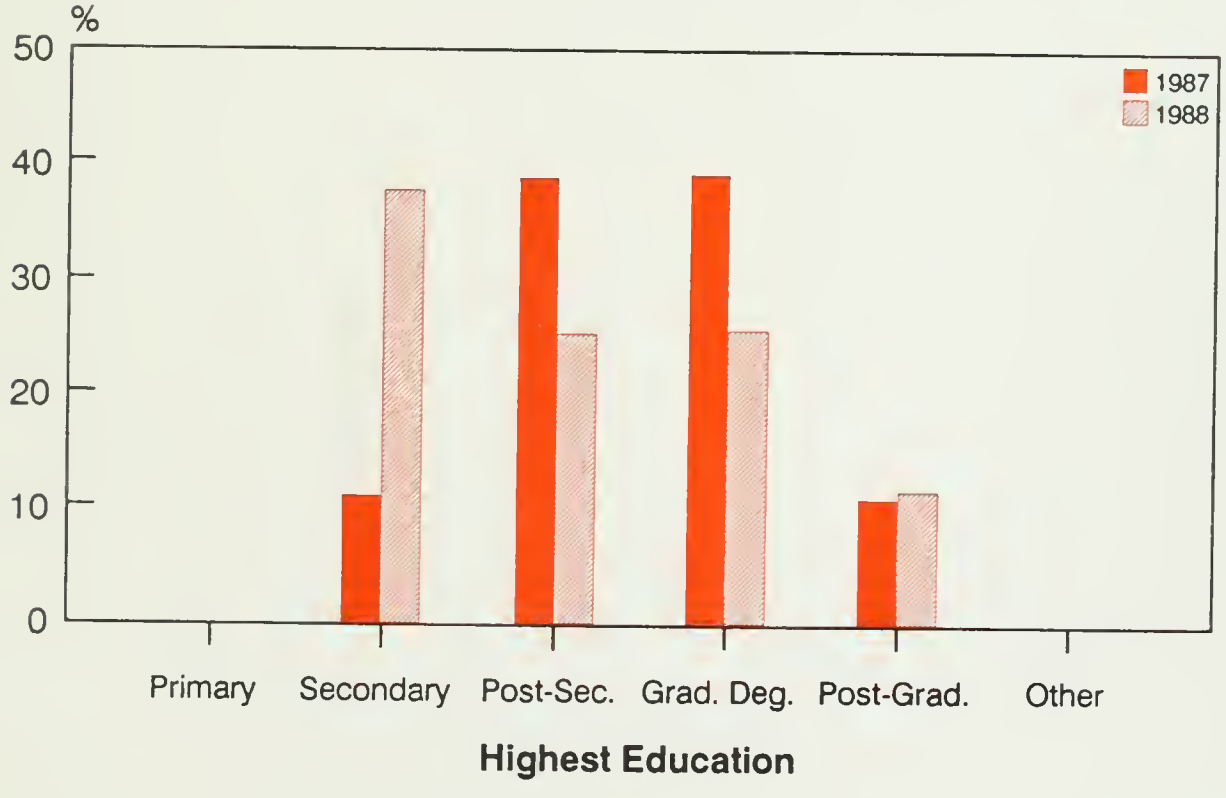


Figure 6e : Education Level of Emigrants

Wholesale/Retail, Restaurant/Hotel, Import/Export

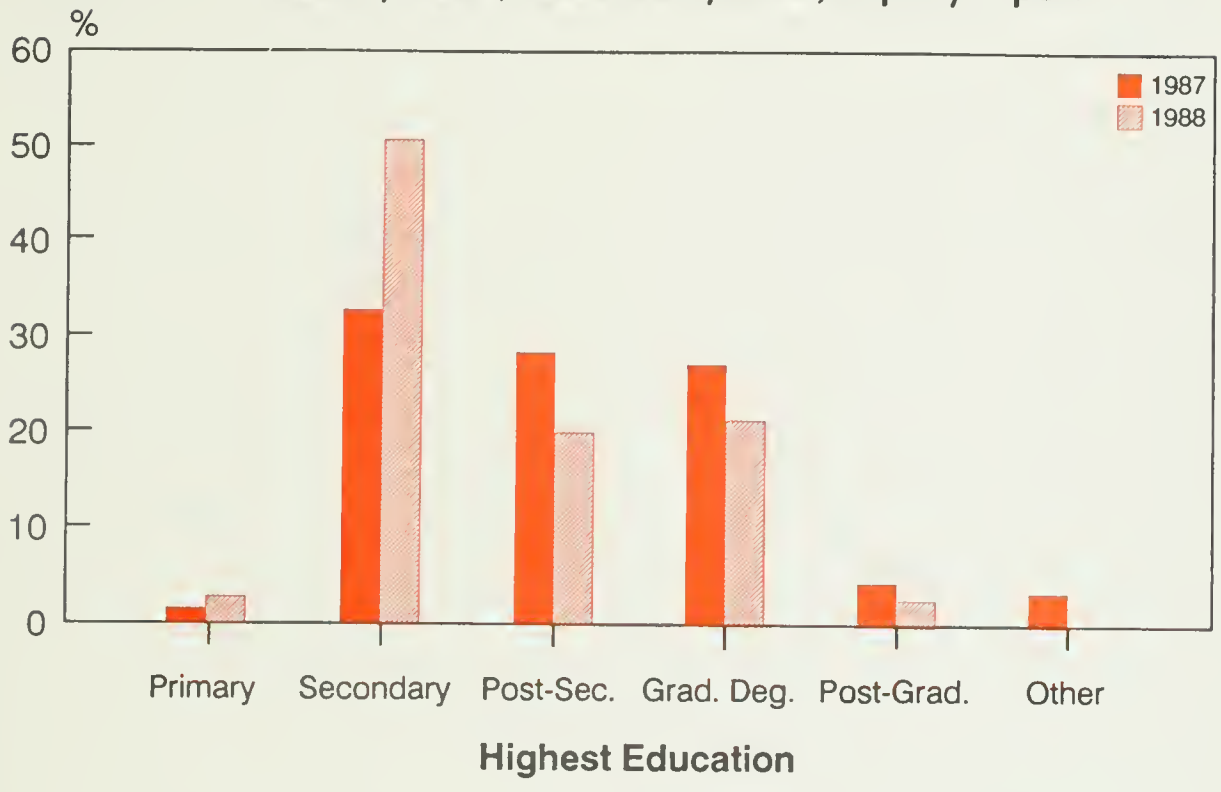


Figure 6f : Education Level of Emigrants

Transport, Storage, and Communication

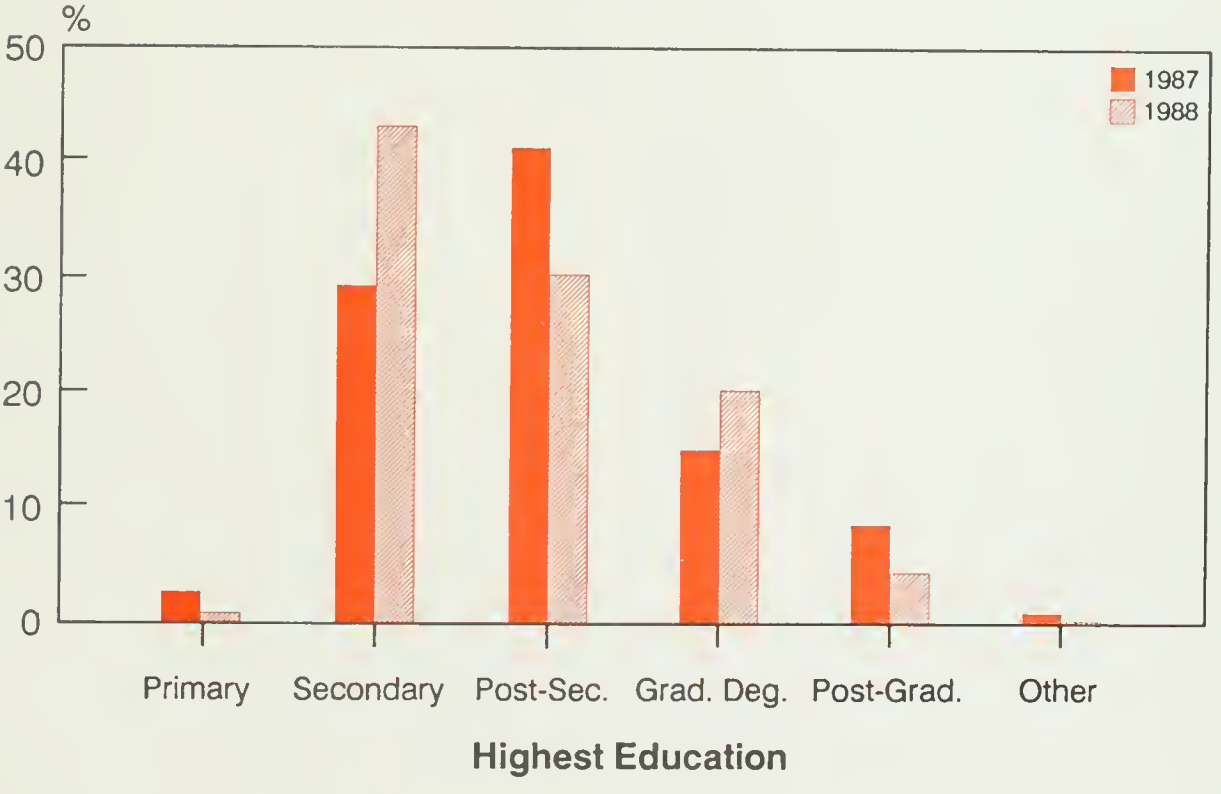


Figure 6g : Education Level of Emigrants

Finance, Insurance, Real Estate, Business and Professional Services

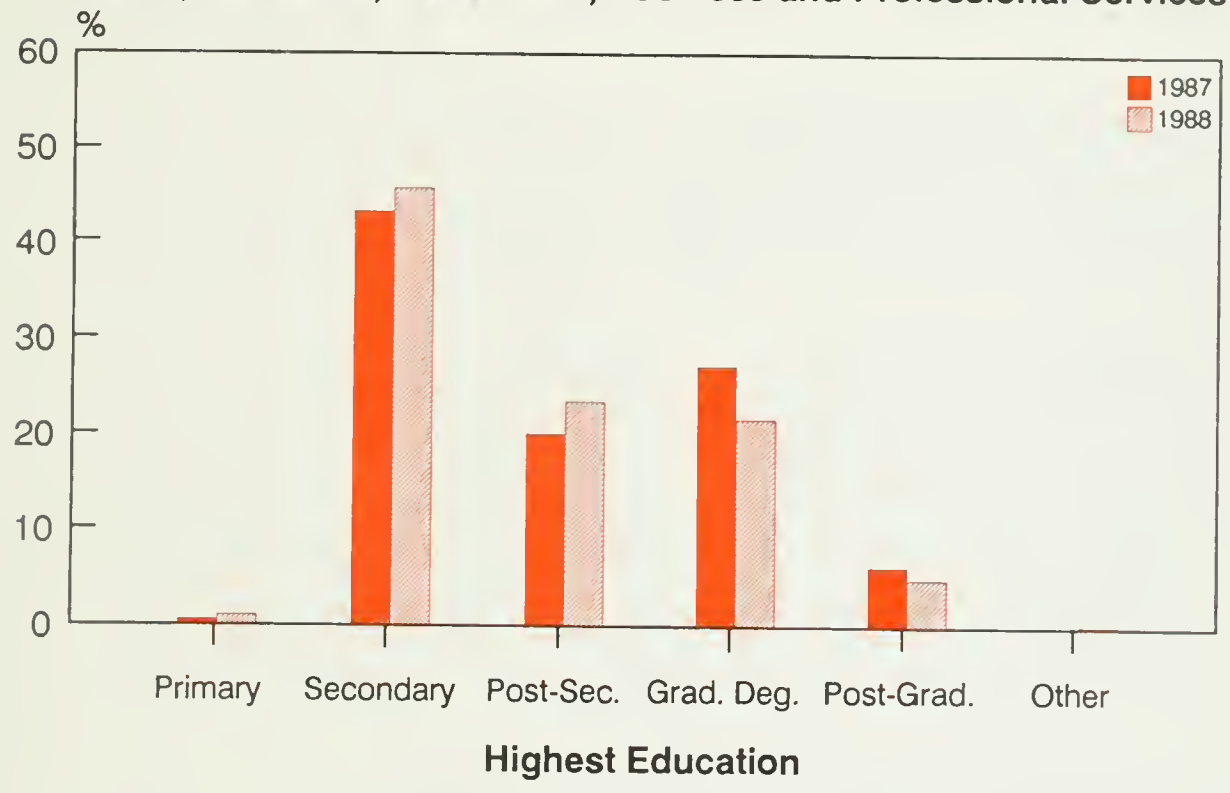
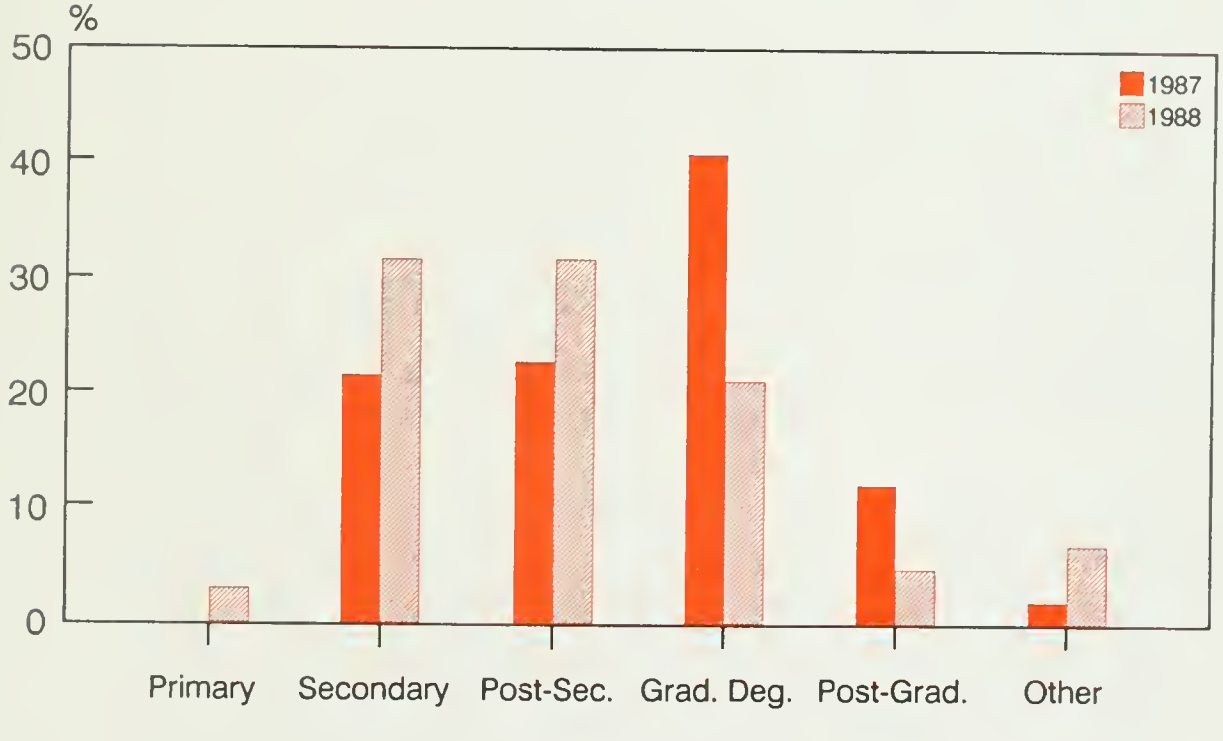


Figure 6h : Education Level of Emigrants

Other Services



e) Organisational Grade

The final organisational grades of the emigrants were ascertained and are reported in Figures 7a-h. The overall distribution shows that the majority of the emigrating staff were at supervisory level (25 per cent in 1987 and 24 per cent in 1988), followed by mid-management level (20 per cent in 1987 and 17 per cent in 1988), then by professional grades (14 per cent in 1987 and 16 per cent in 1988) (Figure 7a).

Apart from the professional grades, the percentages of emigrants at top management to technical level declined between 1987 to 1988. At the same time, the percentage of emigrants at secretarial and clerical levels was increasing between 1987 and 1988. This phenomenon was true for the utilities (Figure 7c), construction (except for the increase in technical level emigrants) (Figure 7d), transport/storage/communication (except for the slight decrease in clerical level emigrants) (Figure 7f) and finance/insurance/real estate/business and professional services (Figure 7g). There was an increase in top-management level emigrants for manufacturing (Figure 7b) and wholesale/retail/restaurant/hotel/import/export (Figure 7e).

There were variations in the distribution of organisational levels of the emigrants with different industrial categories. For manufacturing (Figure 7b), the greatest outflow was at technical level (19 per cent) in 1987 and at professional level (27 per cent) in 1988. For the utilities (Figure 7c), the greatest outflow was at professional level (38 per cent and 40 per cent respectively) in both 1987 and 1988. For construction (Figure 7d), the most serious drain was at supervisory level (36 per cent) in 1987 and professional level (37 per cent) in 1988. For wholesale/retail/restaurant/hotel/import/export (Figure 7e), most of the emigrated staff were at middle management level (25 per cent) in 1987 and supervisory level (15 per cent) in 1988. For transport/storage/communication (Figure 7f), most of our emigrants were at supervisory level (22 per cent) for both 1987 and 1988. For finance/insurance/real estate/business and professional services (Figure 7g), the most serious problem was again at supervisory level (29 per cent and 28 per cent respectively) for both 1987 and 1988. For other services (Figure 7h), the loss was mostly at supervisory (24 per cent) and professional level (24 per cent and 23 per cent respectively) for both years.

If we group all the emigrants at top management, middle management, supervisory, professional and technical levels together (which is normally referred to as our managerial, professional, technical and administrative staff), the total outflow in 1987 is about 71 per cent and in 1988 is 66 per cent of our total emigrants sample. To put these figures in context, one should note that this category only comprises some 11 per cent of the working population in the territory and is thus massively over-represented in the emigration figures.

Figure 7a : Organisational Grade of Emigrants

Overall

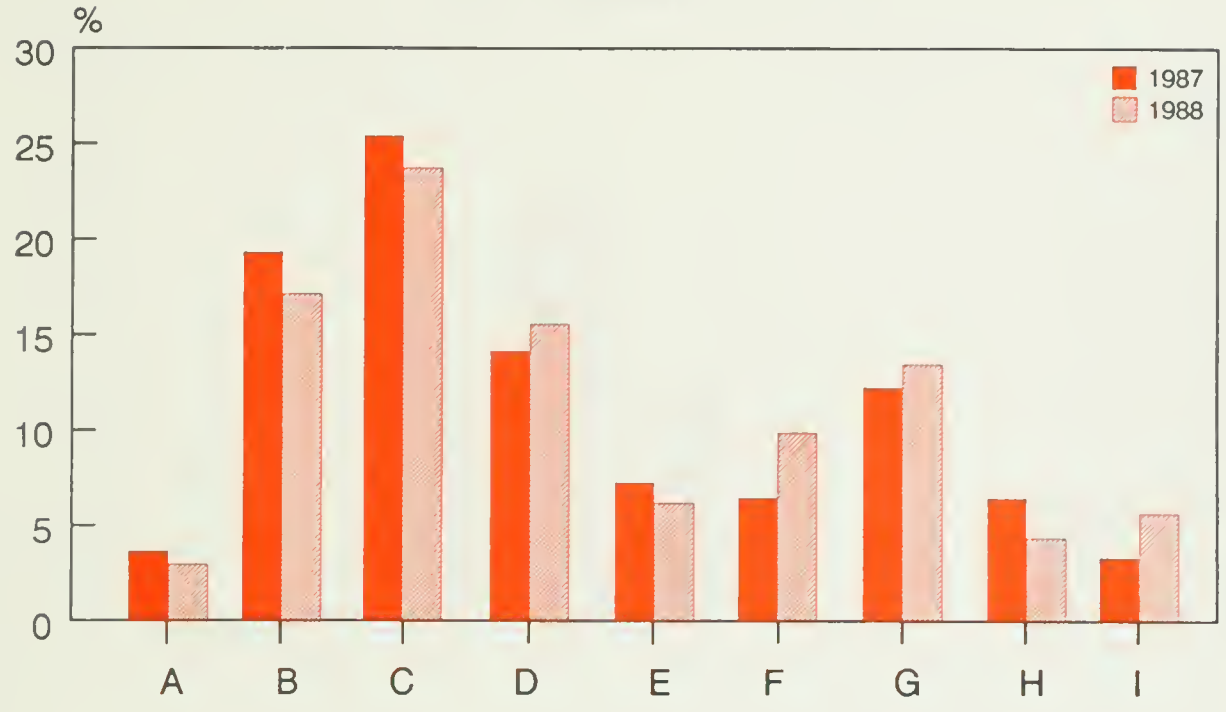
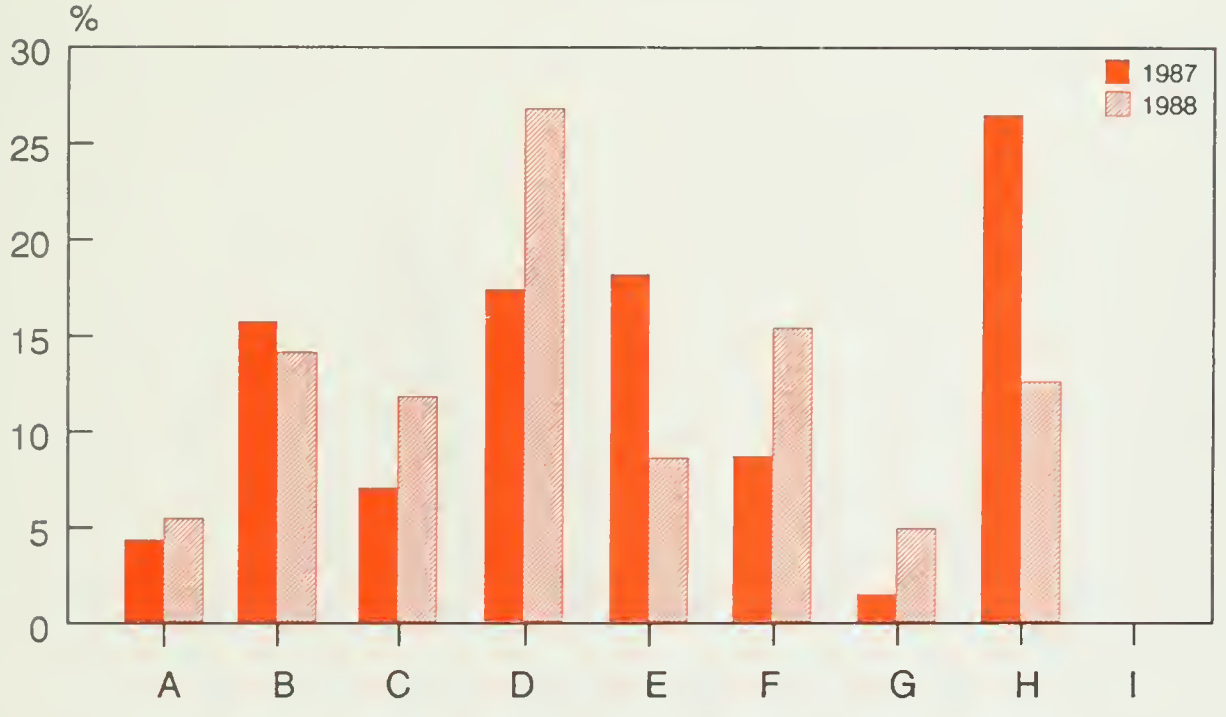


Figure 7b : Organisational Grade of Emigrants

Manufacturing



A : Top Management, B : Middle Management, C : Supervisory, D : Professional,
E : Technical, F : Secretary, G : Clerical, H : Manual, I : Other

Figure 7c : Organisational Grade of Emigrants

Electricity, Gas and Water

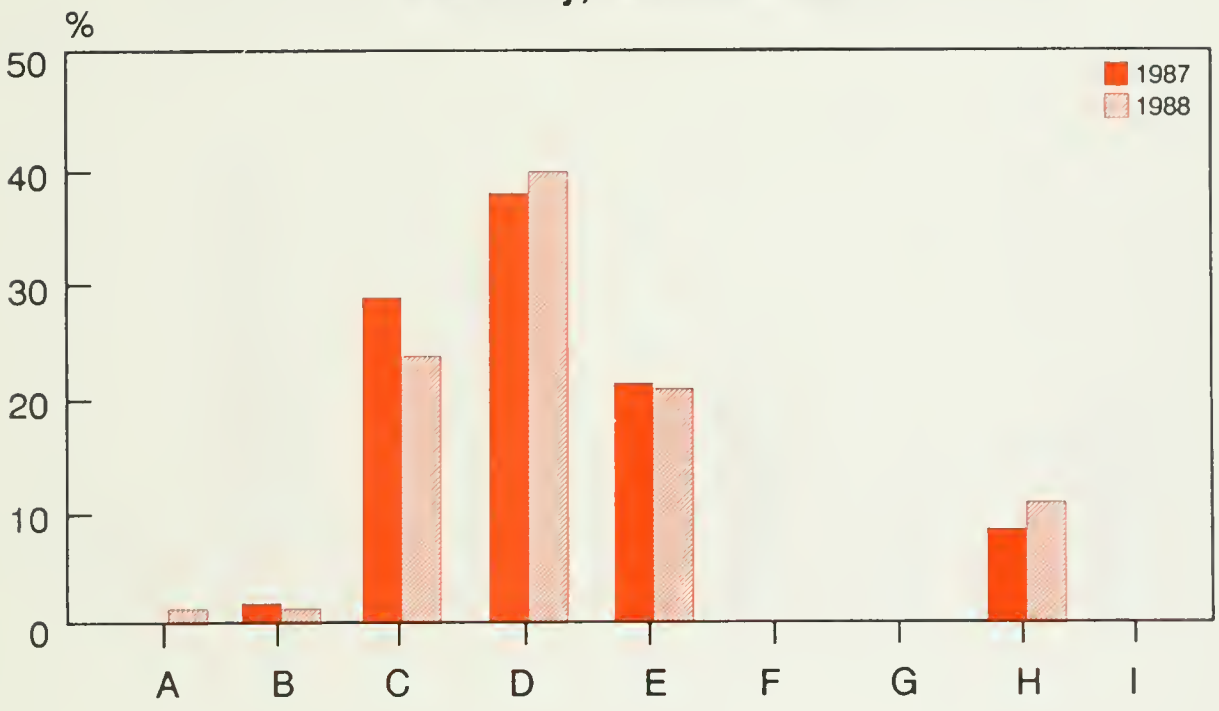
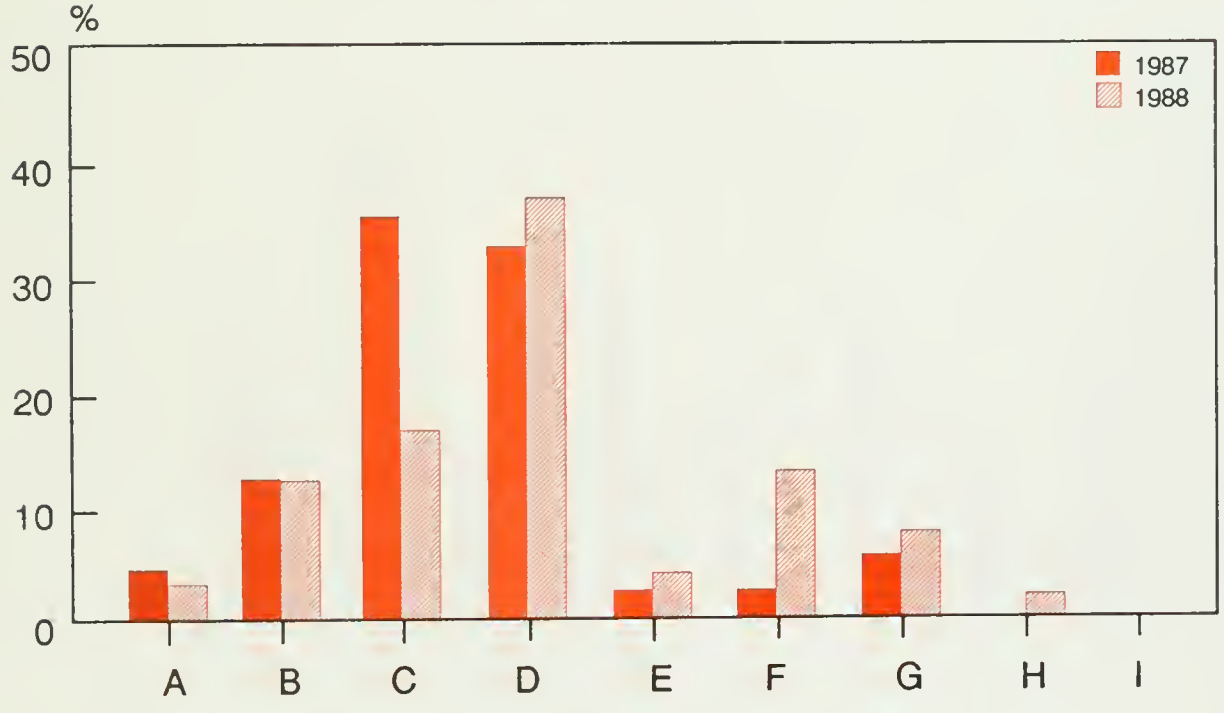


Figure 7d : Organisational Grade of Emigrants

Construction



A : Top Management, B : Middle Management, C : Supervisory, D : Professional,
E : Technical, F : Secretary, G : Clerical, H : Manual, I : Other

Figure 7e : Organisational Grade of Emigrants

Wholesale/Retail, Restaurant/Hotel, Import/Export

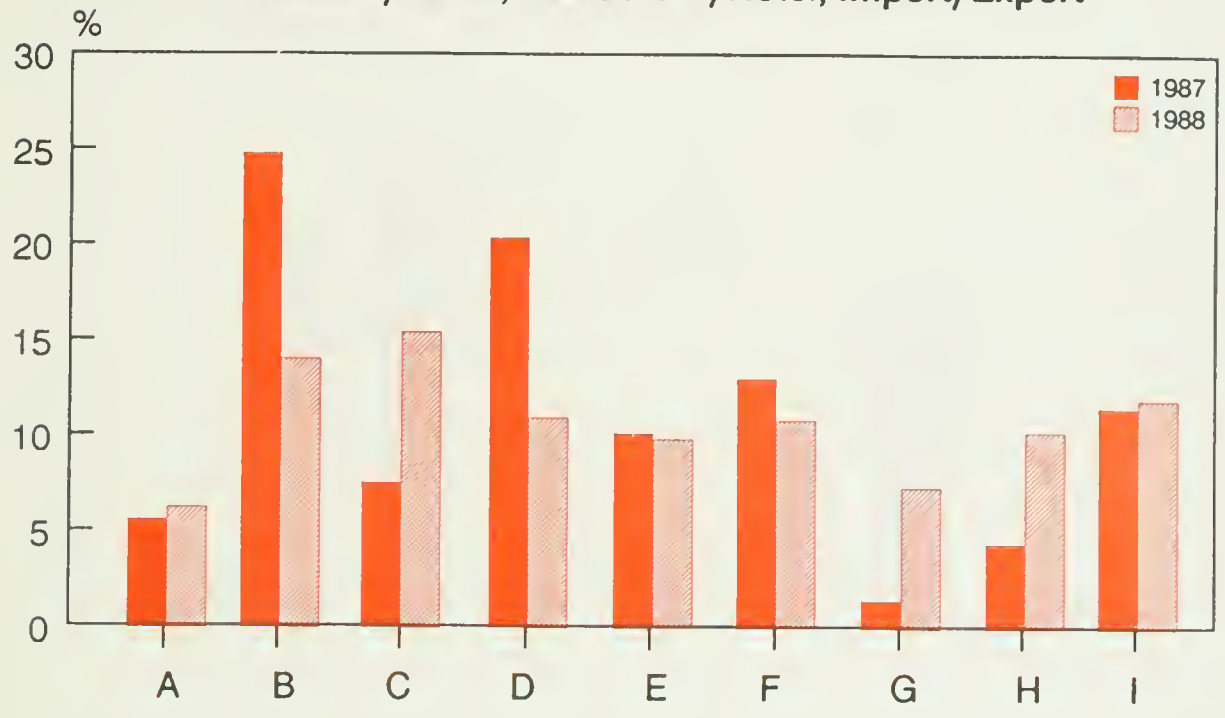
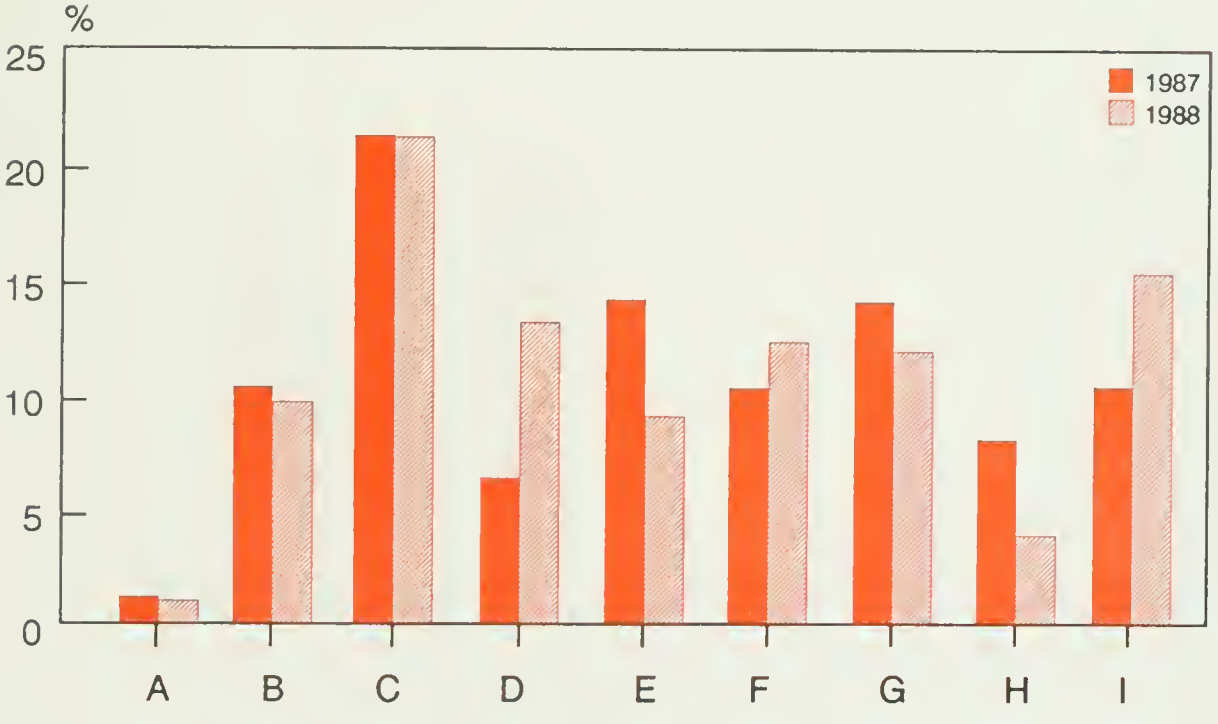


Figure 7f : Organisational Grade of Emigrants

Transport, Storage, and Communication



A : Top Management, B : Middle Management, C : Supervisory, D : Professional,
E : Technical, F : Secretary, G : Clerical, H : Manual, I : Other

Figure 7g : Organisational Grade of Emigrants

Finance, Insurance, Real Estate, Business and Professional Services

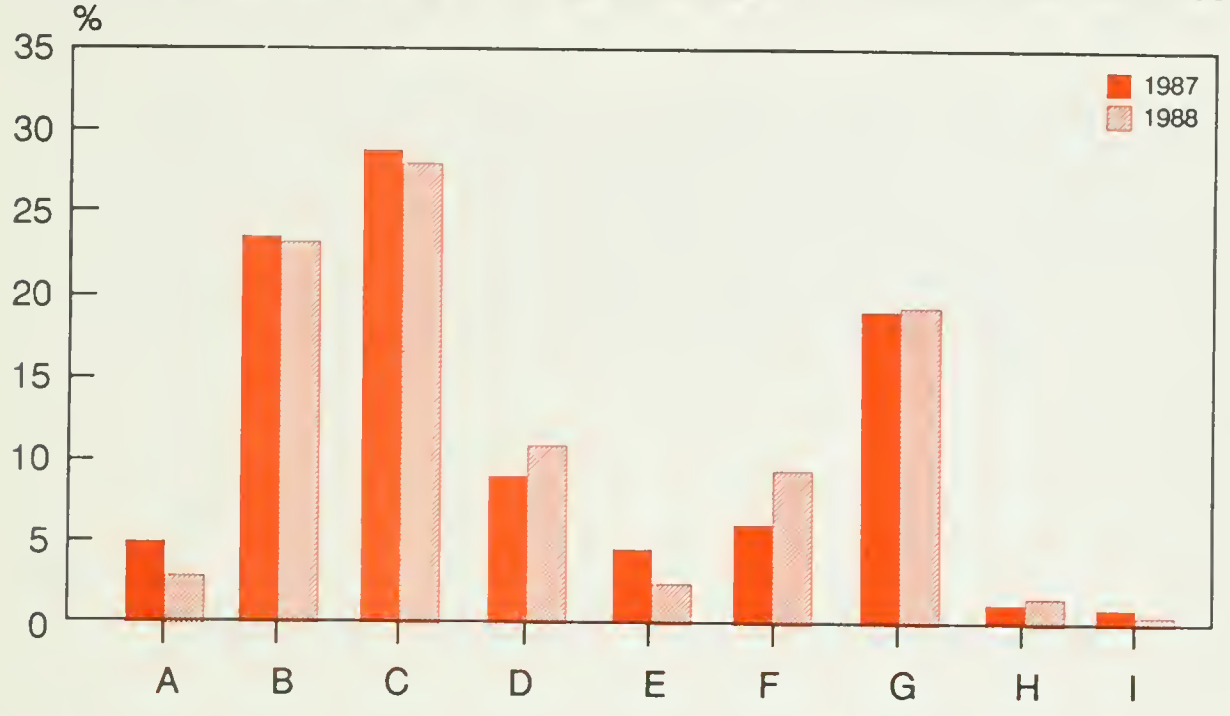
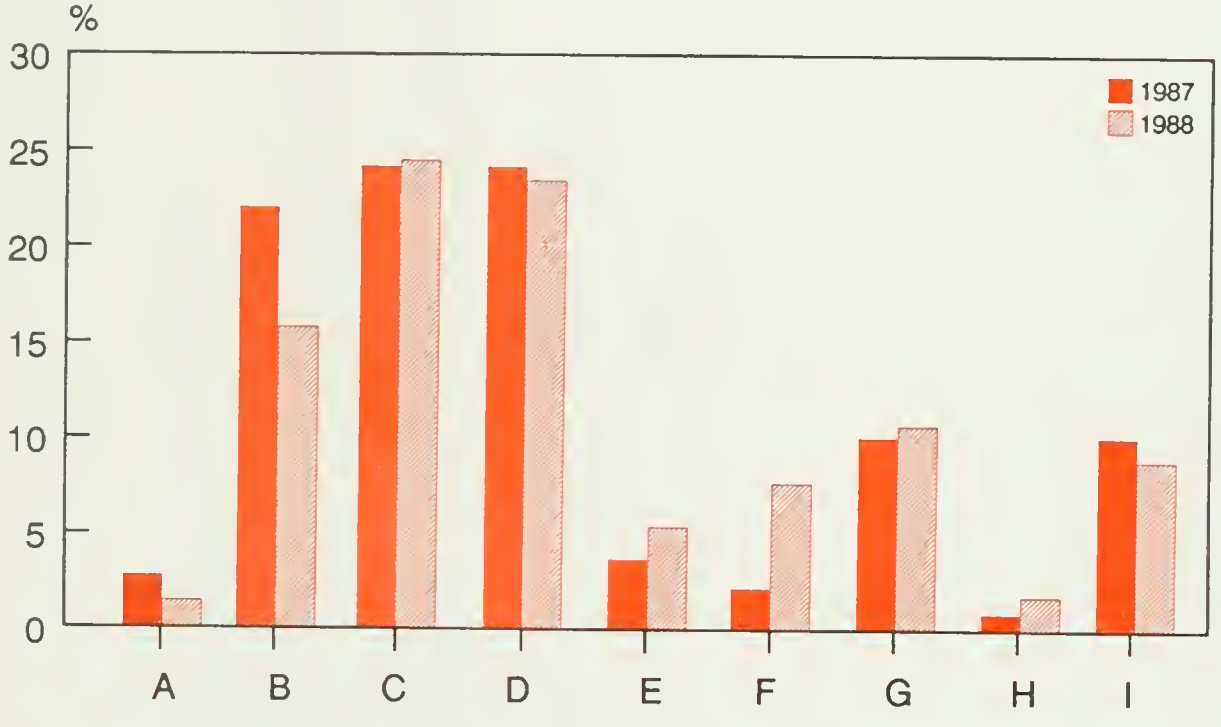


Figure 7h : Organisational Grade of Emigrants

Other Services



A : Top Management, B : Middle Management, C : Supervisory, D : Professional,
E : Technical, F : Secretary, G : Clerical, H : Manual, I : Other

f) Final Salary Level

We asked companies to provide an indication of the final salary of those who left by reason of emigration. These data are shown in Figure 8. On the whole, most emigrants came from jobs in the HK$50,000 to $249,999 per annum range. The distribution patterns are similar in all industries. The only slight exceptions to this pattern were the utilities where a large number came from HK$250,000 to $399,999, and the wholesale/retail/restaurant/ hotel/import/export sector where a significant proportion came from the lowest income bracket of below HK$50,000 per annum.

Figure 8 : Final Salary Level of Emigrants

A : Below $50,000
B : $50,000 - $99,999
C : $100,000 - $149,999
D : $150,000 - $249,999
E : $250,000 - $399,999
F : $400,000 - $599,999
G : $600,000 - $899,999
H : $900,000+

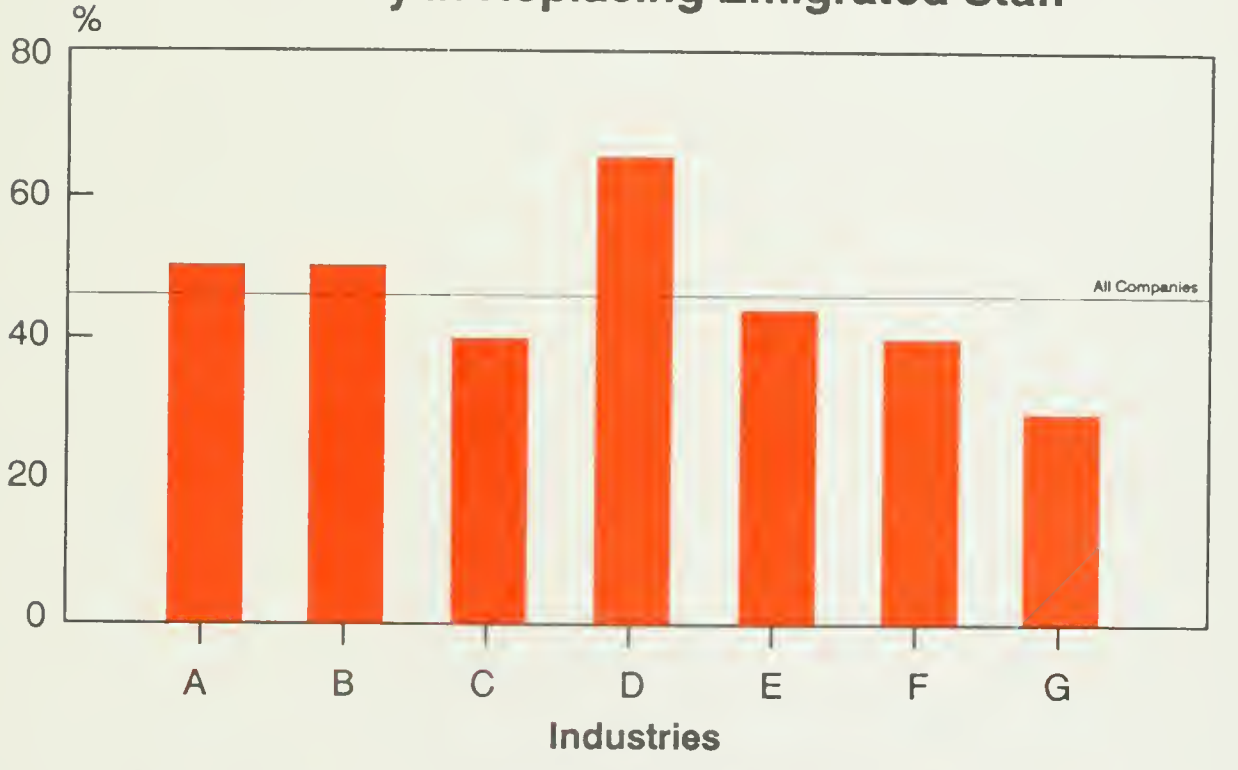
5. IMPACT ON ORGANISATIONS

We have seen that organisations in the past two years have experienced a serious loss of relatively young and well educated staff at the managerial, professional, supervisory and technical levels. In the following section, we will discuss their effects on various personnel practices in the organisations including recruitment, reward, training and development, and other emigration related personnel policies.

a) Difficulty in Replacing Emigrated Staff

Respondents were asked whether they had experienced any difficulty in replacing emigrating employees with staff of comparable calibre (Figure 9). Overall, 45 per cent of the companies reported such difficulties. The wholesale/retail/restaurant/hotel/import/export sector appeared to be the sector that had the greatest difficulty, while other services were the least hit.

Figure 9 : Percentage of Companies Experiencing Difficulty in Replacing Emigrated Staff



A : Manufacturing
B : Electricity/Gas/Water
C : Construction
D : Wholesale/Retail/Restaurant/Hotel/Import/Export
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

Respondents were also asked at which organisational grade/level the replacement process had been most difficult. Most companies reported that replacement was most difficult at the middle management level (26 per cent), followed by professional (23 per cent), then technical staff (13 per cent) (Figure 10a). Manufacturing (Figure 10b) had the greatest replacement problem at the middle management level, the utilities (Figure 10c) at the supervisory level, construction (Figure 10d) at professional and technical grades, wholesale/retail/restaurant/hotel/import/export (Figure 10e), and finance/insurance/real estate/business and professional services (Figure 10g) at the middle management level, and transport/storage/communication (Figure 10f) and other services (Figure 10h) at the professional level.

Figure 10a : Most Difficulty in Replacing Emigrated Staff According to Organisational Grade/Level - Overall

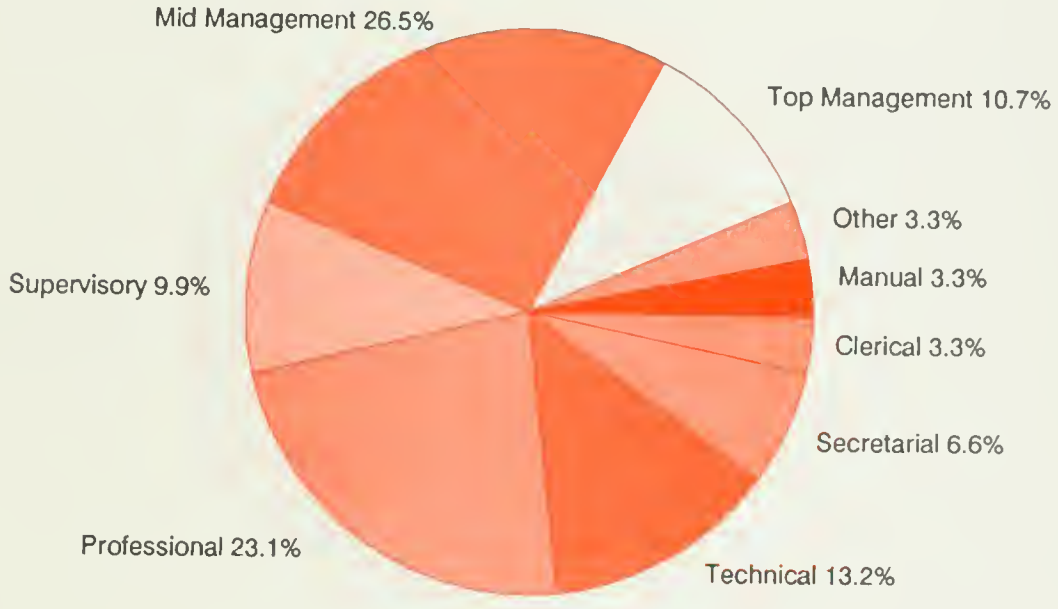


Figure 10b : Most Difficulty in Replacing Emigrated Staff According to Organisational Grade/Level - Manufacturing

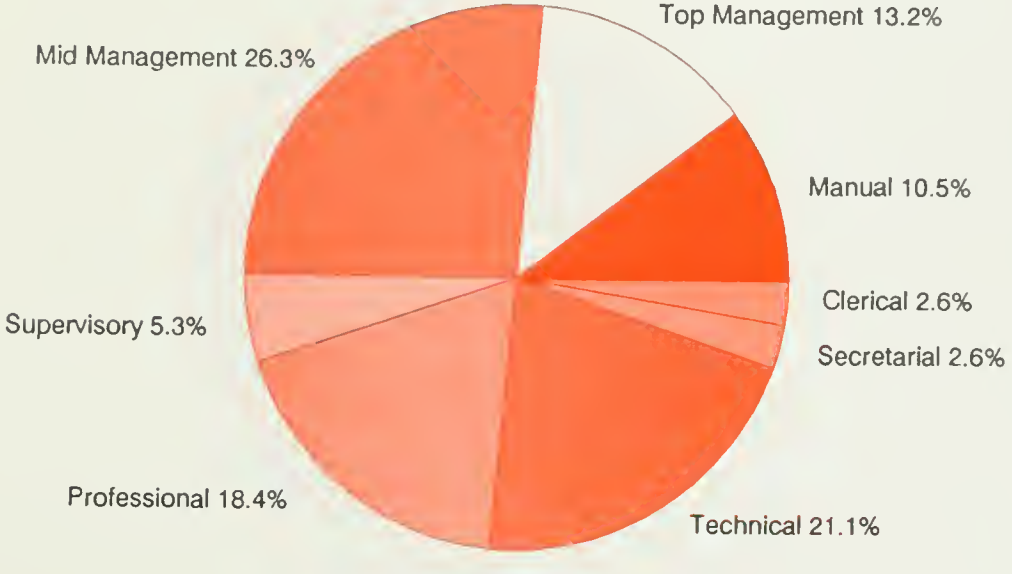


Figure 10c : Most Difficulty in Replacing Emigrated Staff According to Organisational Grade/Level - Electricity, Gas and Water

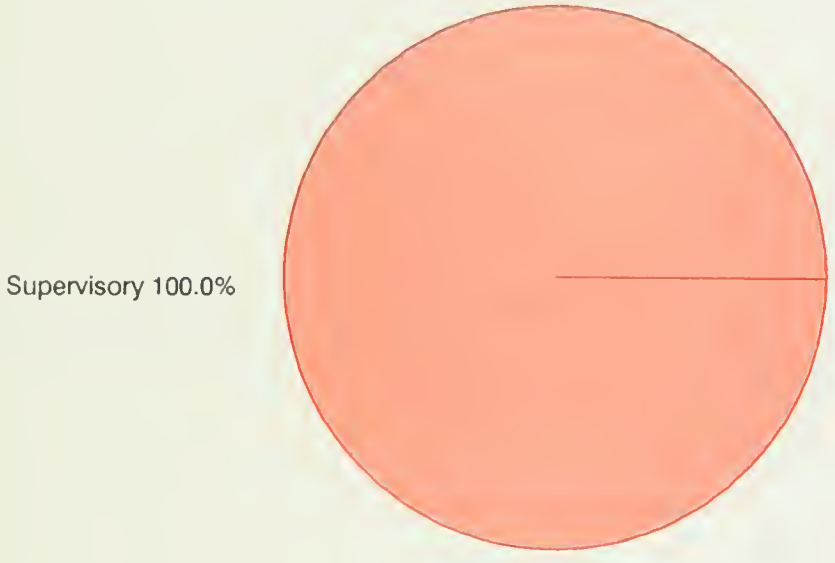


Figure 10d : Most Difficulty in Replacing Emigrated Staff According to Organisational Grade/Level - Construction

Figure 10e : Most Difficulty in Replacing Emigrated Staff According to Organisational Grade/Level - Wholesale/Retail, Restaurant/Hotel, Import/Export

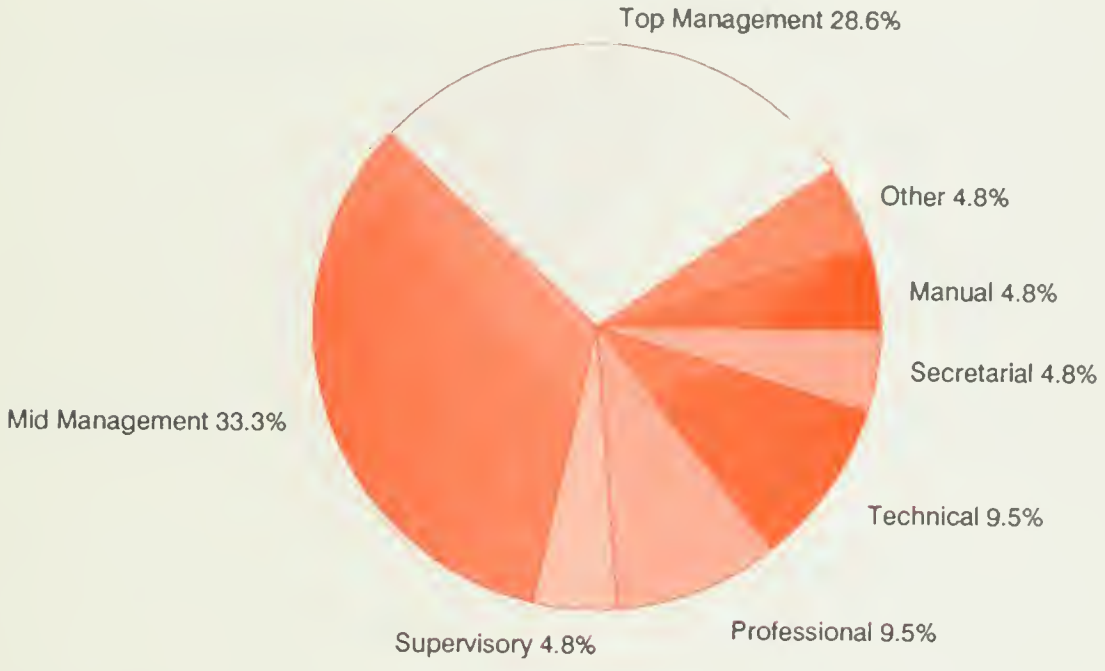


Figure 10f : Most Difficulty in Replacing Emigrated Staff According to Organisational Grade/Level - Transport, Storage, and Communication

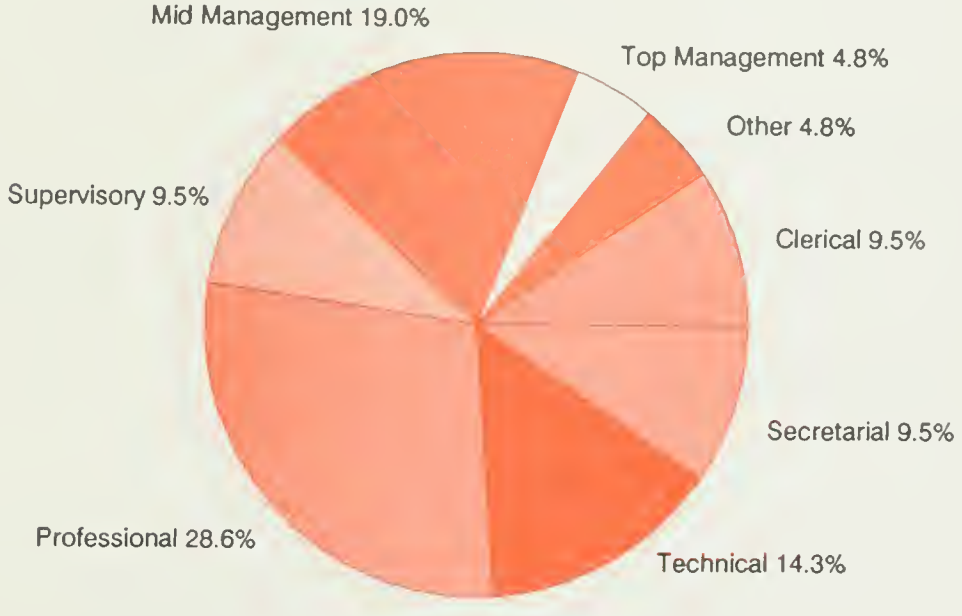


Figure 10g : Most Difficulty in Replacing Emigrated Staff According to Organisational Grade/Level -
Finance, Insurance, Real Estate, Business and Professional Services

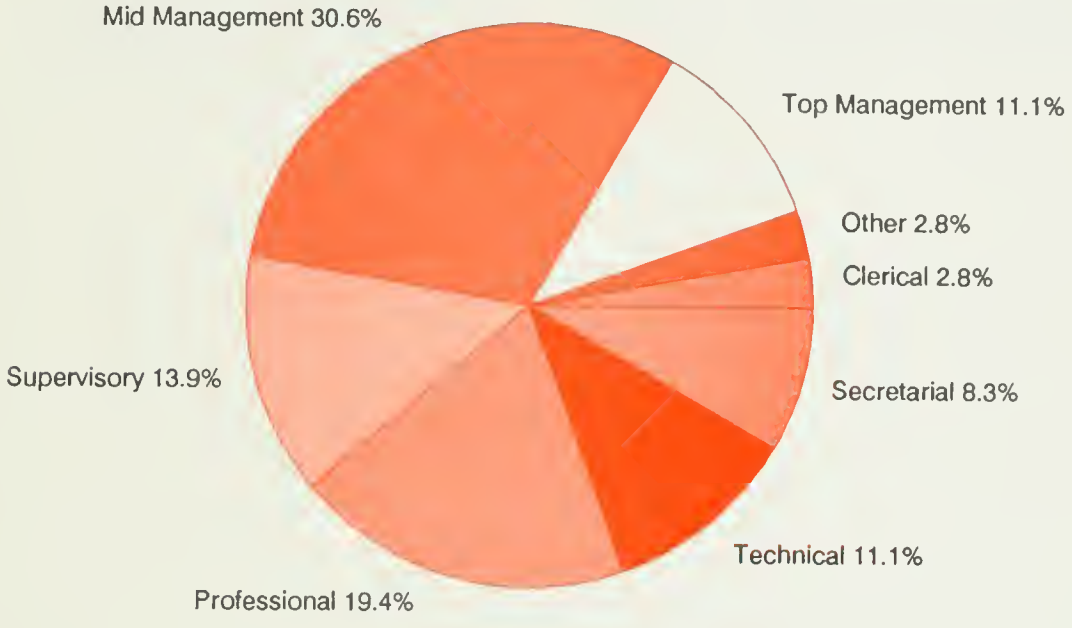
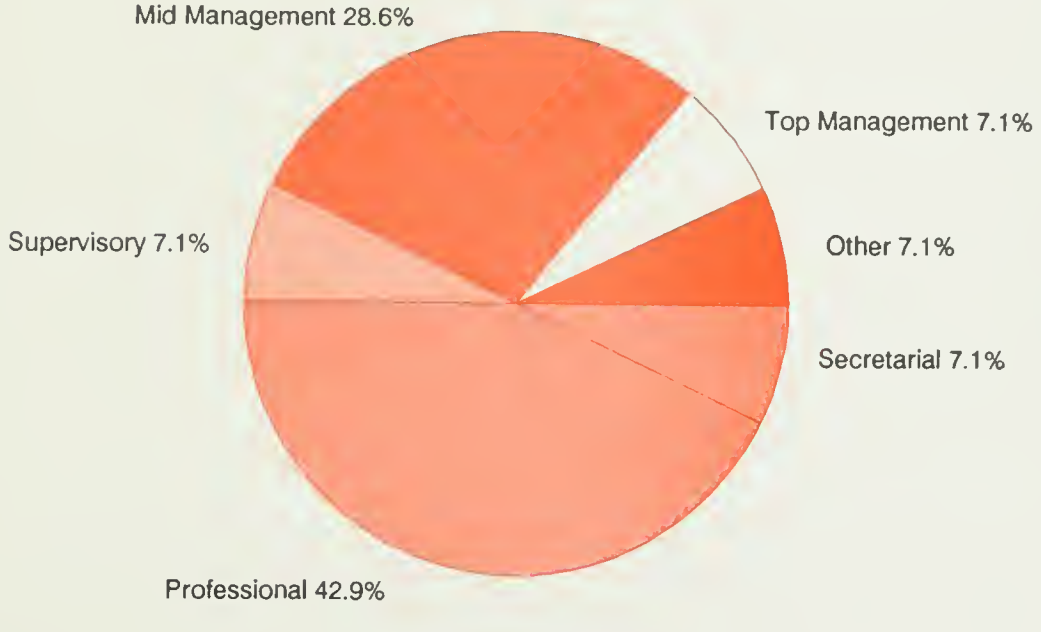


Figure 10h : Most Difficulty in Replacing Emigrated Staff According to Organisational Grade/Level -
Other Services



b) Localisation Programme

31 per cent of the responding companies had localization programmes and 28 per cent of these companies admitted that their localization programme had been slowed down because of emigration (Figures 11 and 12). Companies in the wholesale/retail/ restaurant/hotel/import/export industry were most seriously affected (57 per cent) and the finance/insurance/real estate/business and professional services sector was the second most affected industry (43 per cent).

Figure 11 : Percentage of Companies with Localisation Programme

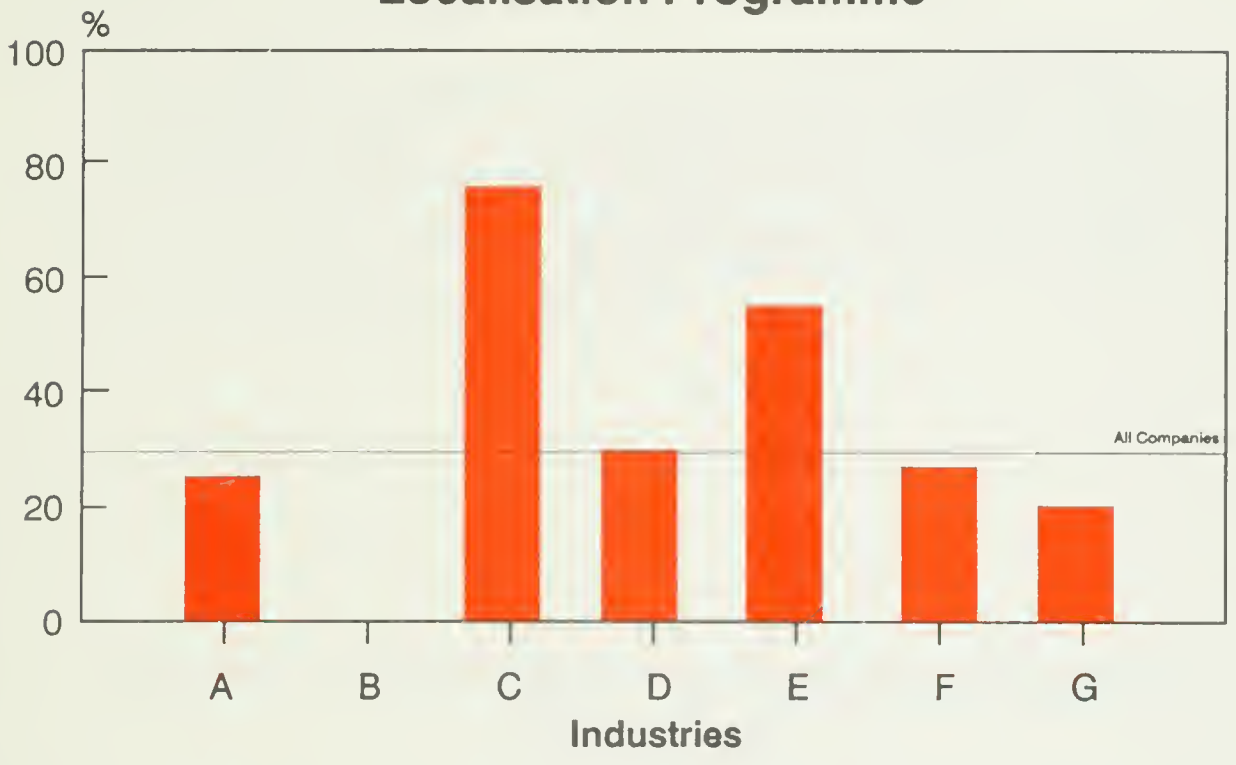
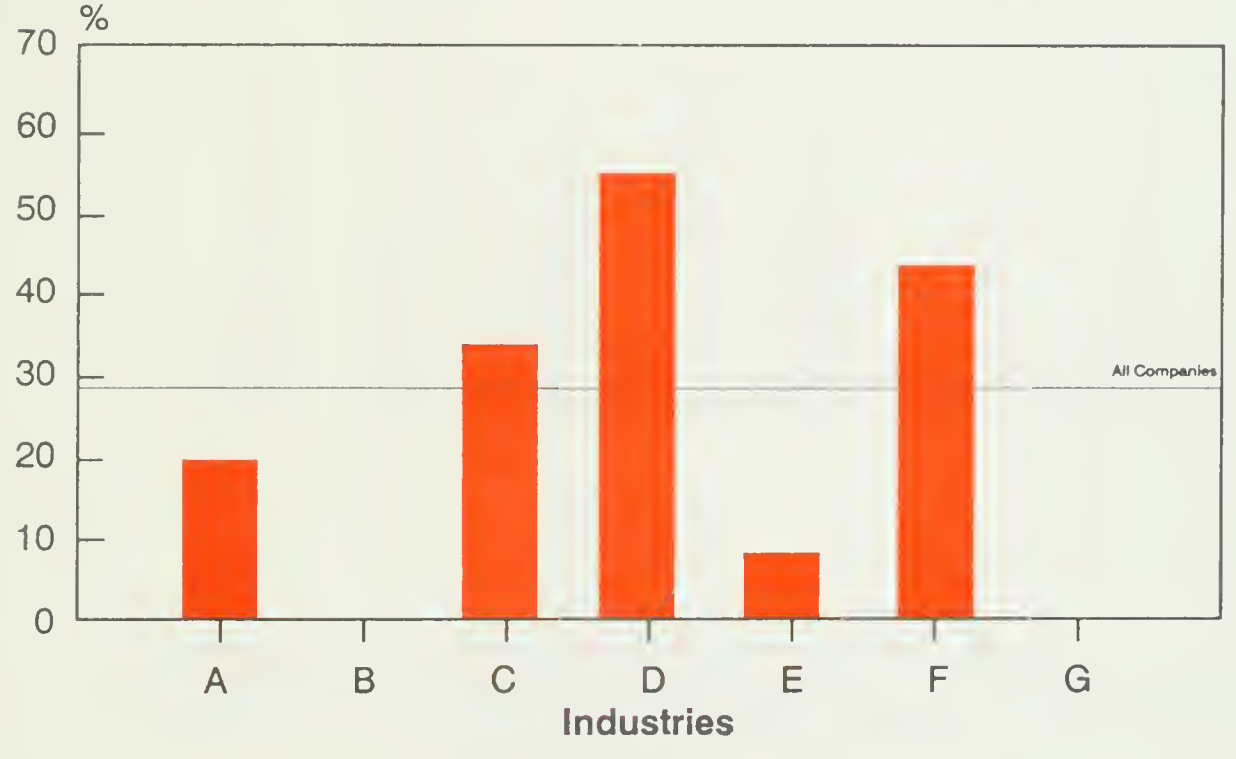


Figure 12 : Percentage of Companies with Localisation Programme Slowed Down Because of Emigration

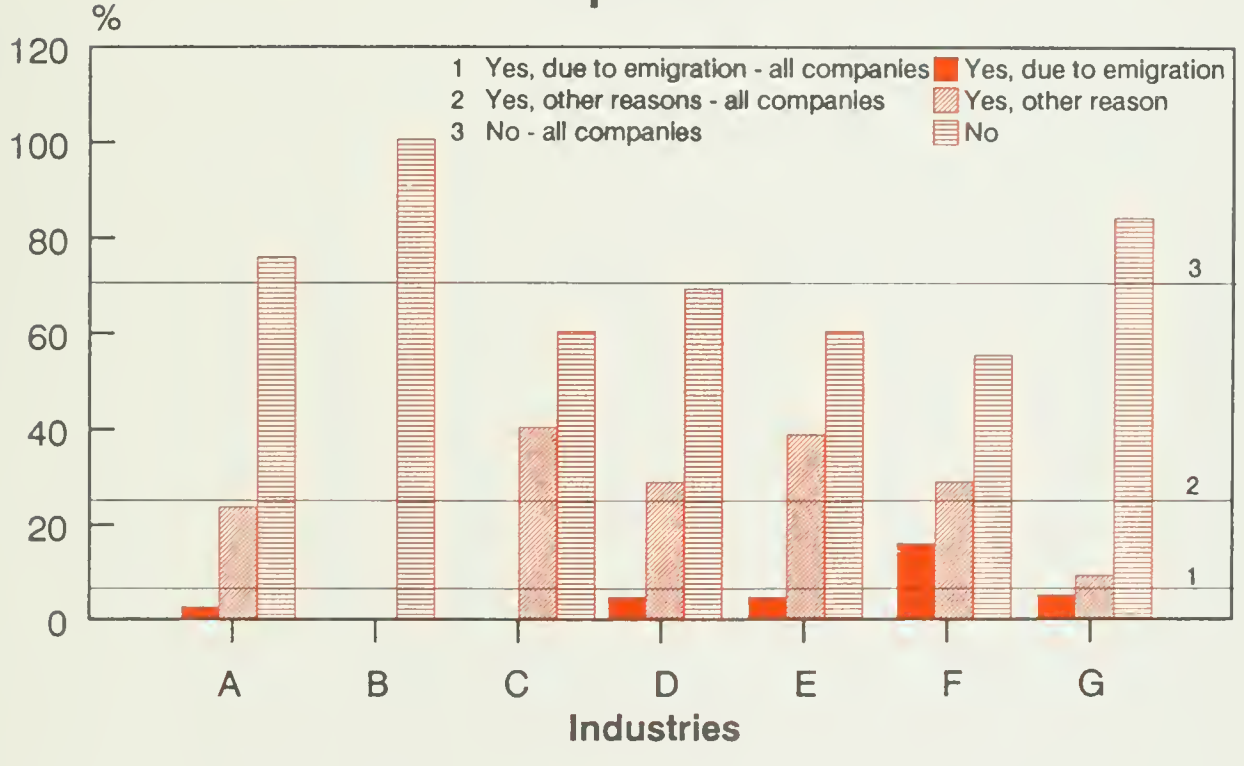


A : Manufacturing
B : Electricity/Gas/Water
C : Construction
D : Wholesale/Retail/Restaurant/Hotel/Import/Export
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

c) Hiring More Expatriates

The respondents were asked whether they had been hiring more expatriates because of a shortage of local candidates due to emigration (Figure 13). There were more companies in the finance/insurance/real estate/business and professional services sector using this means to overcome the labour shortage problem (16 per cent) than the other industries. On the whole, only 7 per cent of the companies had chosen this method to overcome labour shortages due to emigration.

Figure 13 : Percentage of Companies Hiring More Expatriates



A : Manufacturing
B : Electricity/Gas/Water
C : Construction
D : Wholesale/Retail/Restaurant/Hotel/Import/Export
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

d) Over-hiring

We asked organisations whether they had overhired staff to avoid future shortage of staff due to emigration. Only a relatively small percentage of organisations (8 per cent) had resorted to the practice of stocking up staff in anticipation of a future shortage (Figure 14). The number of firms that said they would do so in the future was also small. In fact, as many as 90 per cent of the companies had no such plans (Figure 15).

Figure 14 : Percentage of Companies Hired More People than Needed

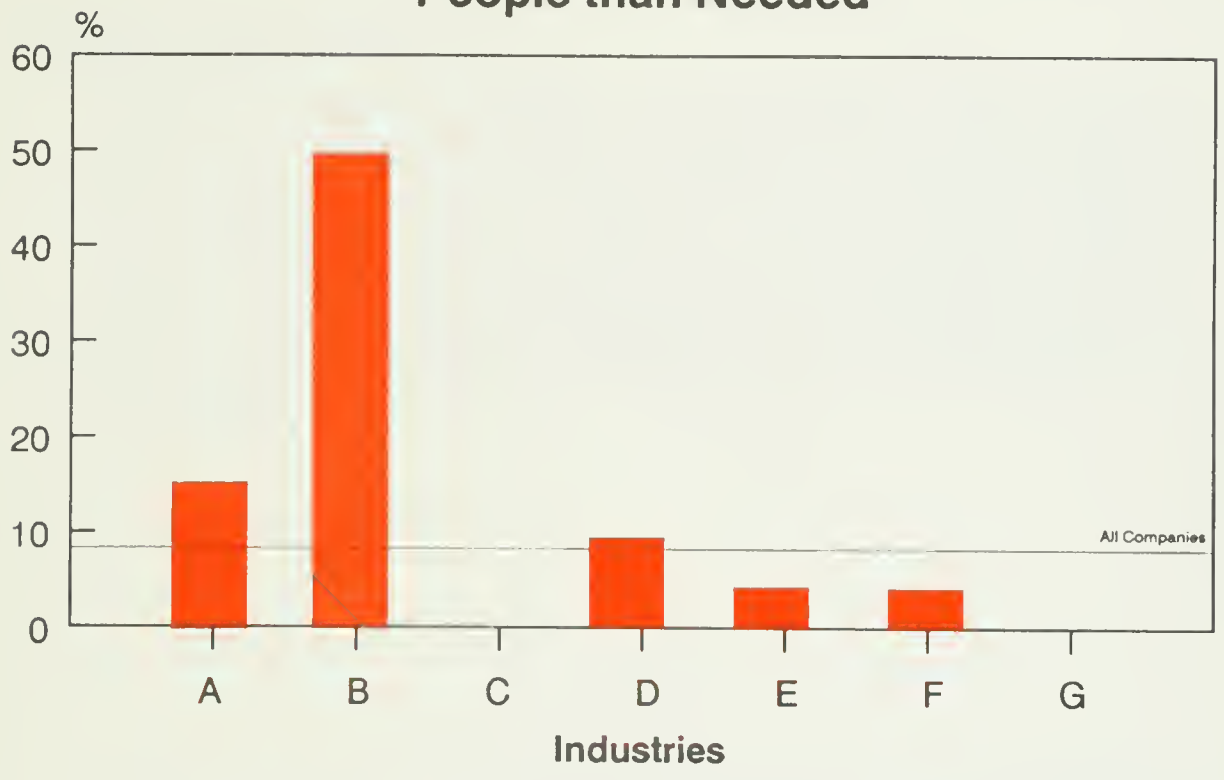
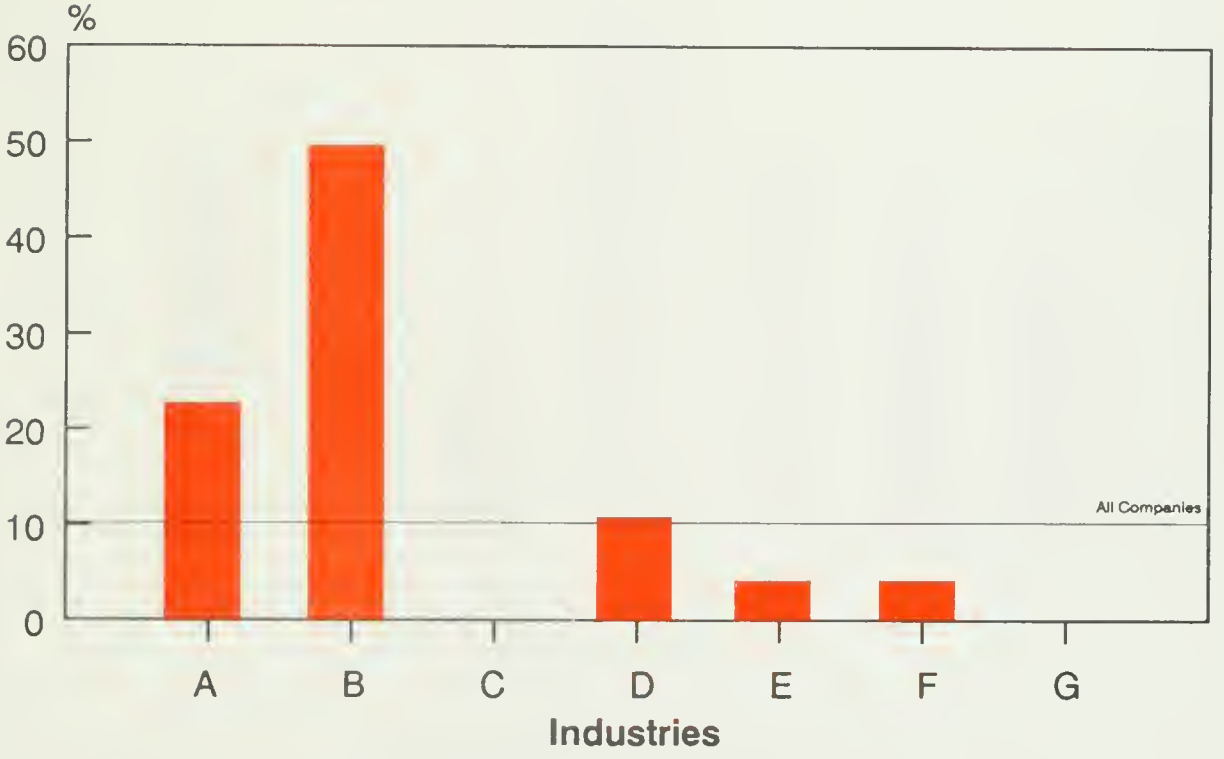


Figure 15 : Percentage of Companies Will Hire More People than Needed



A : Manufacturing
B : Electricity/Gas/Water
C : Construction
D : Wholesale/Retail/Restaurant/Hotel/Import/Export
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

e) Faster Internal Promotion

While the results discussed so far suggest that not many replacements for emigrating staff come from external sources (such as expatriates), the data in Figure 16 reveal that as many as 58 per cent of all the respondents said that their companies had speeded up internal promotion systems in order to fill vacancies created by emigrating staff. This percentage was much higher in wholesale/retail/restaurant/hotel/import/export (90 per cent). This accelerated internal promotion may lead to strain on training and development resources as well as over-promotion of some staff who do not have the requisite qualities or experience for the job.

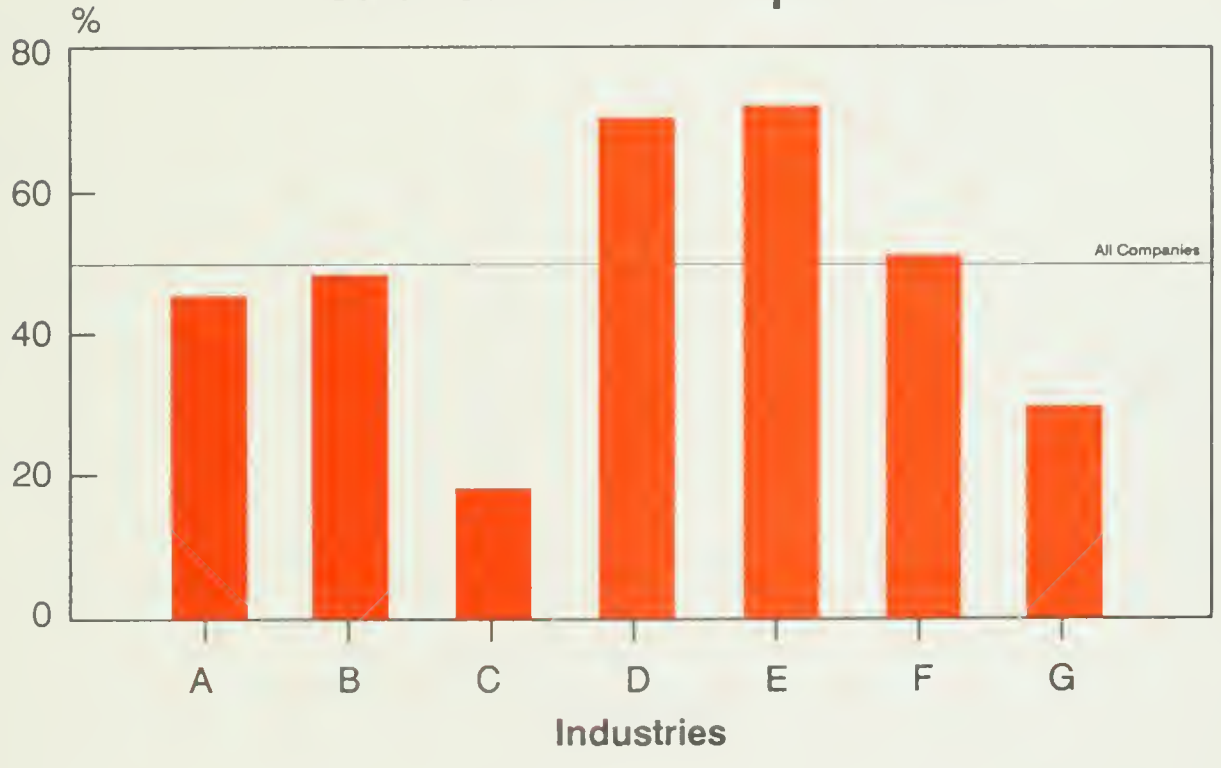
Figure 16 : Percentage of Companies that have been Promoting Employees Faster

A : Manufacturing
B : Electricity/Gas/Water
C : Construction
D : Wholesale/Retail/Restaurant/Hotel/Import/Export
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

f) Salary Adjustment

A contracting labour market in a bouyant economy naturally breeds 'labour poaching' and an upward pressure on wages and salaries. These phenomena are reflected in our data. About half of the sample companies offered higher salaries to local replacements of emigrated employees (Figure 17). Similar percentages are found in manufacturing, utilities and finance/insurance/real estate/business and professional services sectors. In wholesale/retail/restaurant/hotel/import/export and transport/storage/communication a greater proportion of firms gave higher salaries to local replacements (70 per cent). Salary levels were less affected in the construction and other services sectors.

Figure 17 : Percentage of Firms offered Higher Salaries to Local Replacements

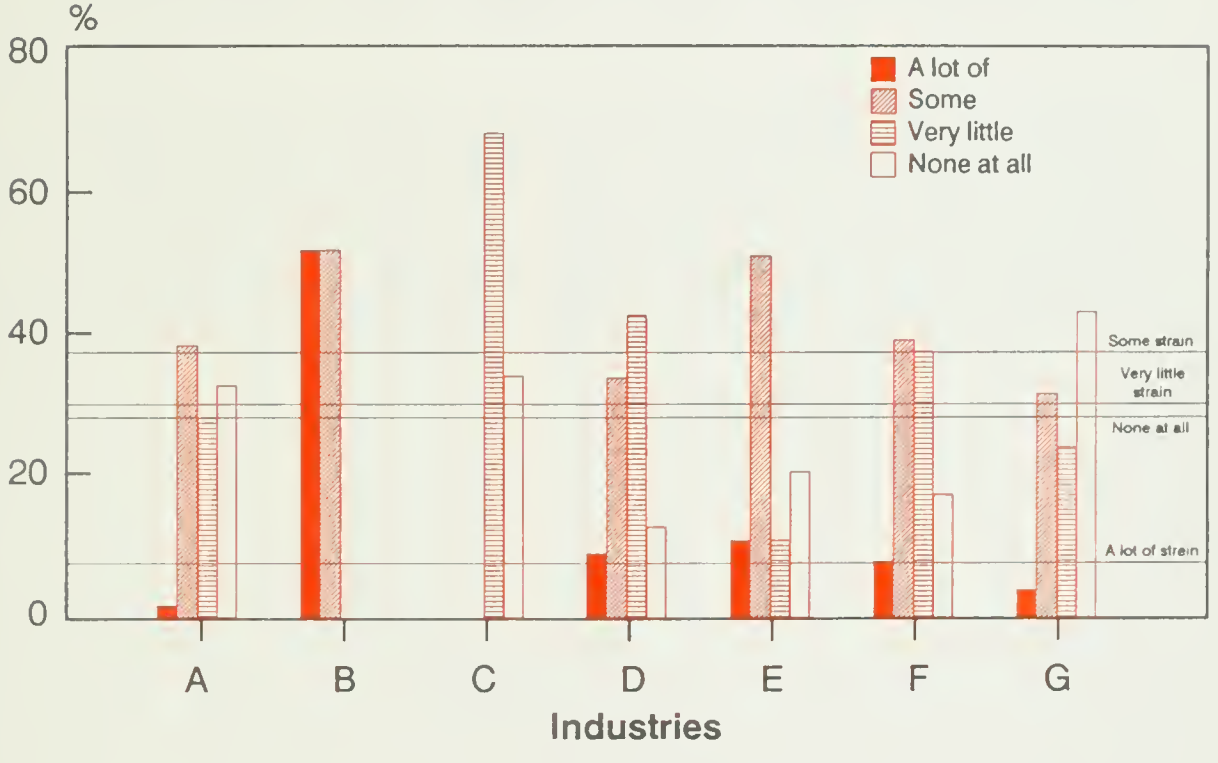


A : Manufacturing
B : Electricity/Gas/Water
C : Construction
D : Wholesale/Retail/Restaurant/Hotel/Import/Export
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

g) Training and Development

About 44 per cent of the firms experienced a degree of strain on training and development resources as a result of emigration (see Figure 18). The impact was most pronounced in utilities, transport/storage/communication and finance/insurance/real estate/business and professional services. This phenomenon may have a positive benefit in that many companies have been forced to focus much more effort on the training and development of local junior and middle managers than has traditionally been the case in HK. This is reinforced by our personnel survey sample of 361 companies of whom 73 per cent reported increasing training and development activities in order to replace emigrating executives (Kirkbride and Tang, 1989b).

Figure 18 : The Amount of Strain the Emigration Problem has put on the Budget for Training and Development



A : Manufacturing
B : Electricity/Gas/Water
C : Construction
D : Wholesale/Retail/Restaurant/Hotel/Import/Export
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

h) Special Arrangements

We asked whether organizations provided any special services to emigrating employees and their responses were summarized in Figures 19-22. Over 80 per cent of the organisations did not give leave of absence to emigrants (Figure 19). Companies in utilities, construction and other services virtually had no such provision. A significant proportion of companies in the manufacturing sector (30 per cent), transport/storage/communication sector (26 per cent), and wholesale/retail/restaurant/hotel/import/export sector (19 per cent) granted special leave of absence to emigrating employees who may return in future.

Emigrants from about 30 per cent of the companies were able to organise overseas jobs through their company's overseas subsidiary/branch prior to emigration (Figure 20). This percentage was higher in transport/storage/communication (42 per cent), finance/insurance/real estate/business and professional services (40 per cent) and wholesale/retail/restaurant/hotel/ import/export (30 per cent). However, such arrangement was not found in utilities (which have no overseas subsidiaries) or in construction. Employment arranged through other overseas organisations before emigration was uncommon in all sectors (Figure 21).

Contact with staff who had emigrated was maintained by 21 per cent of the firms (Figure 22). In utilities, only one company responded to this question and admitted that contact was made with staff once they had emigrated. Construction and finance/insurance/real estate/business and professional services had about 30 per cent of the companies keeping in touch with such employees. For all other industrial sectors, less than a quarter of the companies maintained contact with staff who had emigrated.

Figure 19 : Percentage of Companies Grant Special Leave of Absence

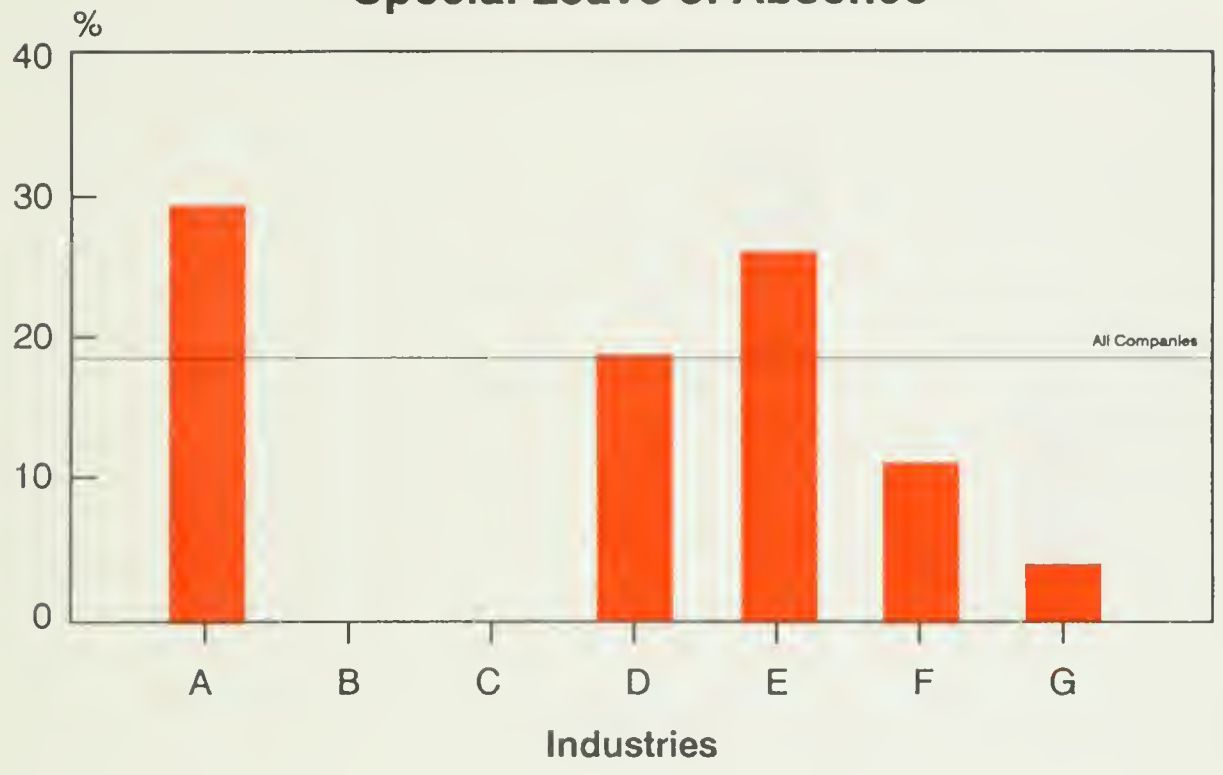
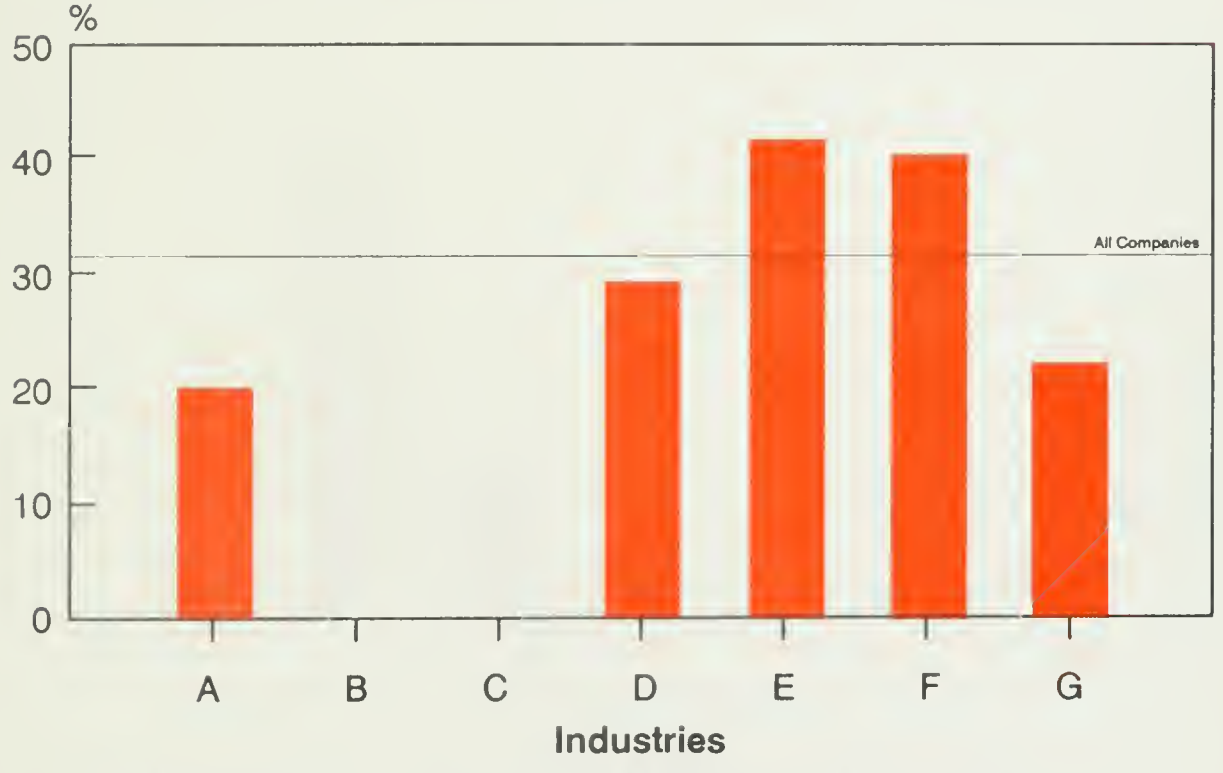


Figure 20 : Percentage of Companies Arranging Employee Abroad Through Overseas Subsidiary/Branch



A : Manufacturing
B : Electricity/Gas/Water
C : Construction
D : Wholesale/Retail/Restaurant/Hotel/Import/Export
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

Figure 21 : Percentage of Companies Arranging Employee Abroad Through Other Overseas Companies

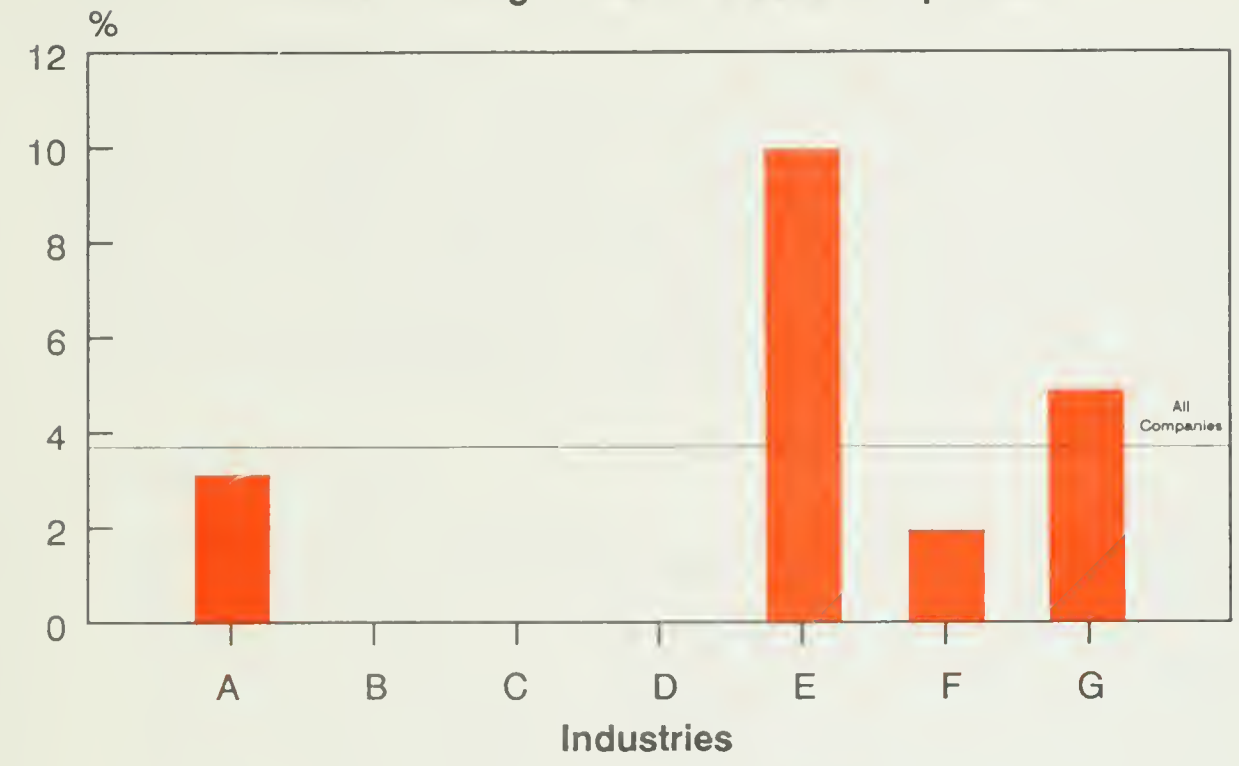
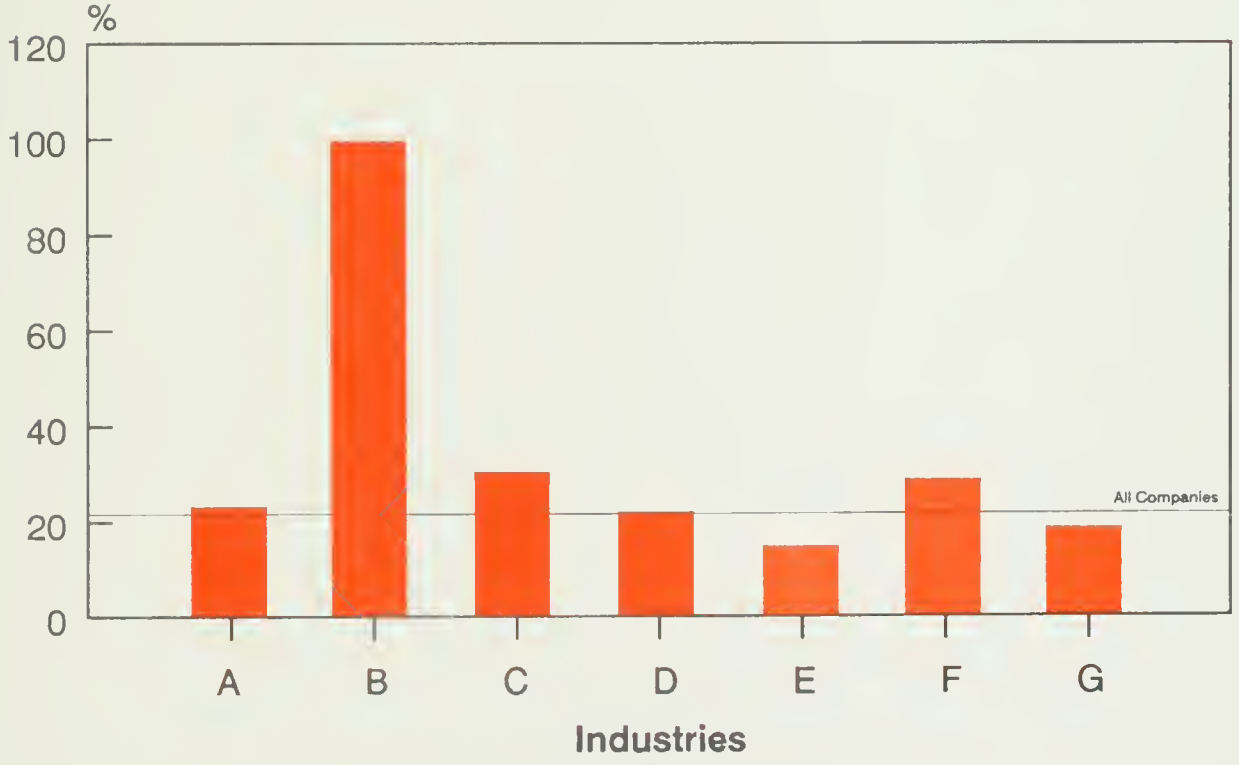


Figure 22 : Percentage of Companies Providing Continuity Link or Channels to Keep in Touch with Emigrated Employees



A : Manufacturing
B : Electricity/Gas/Water
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D : Wholesale/Retail/Restaurant/Hotel/Import/Export
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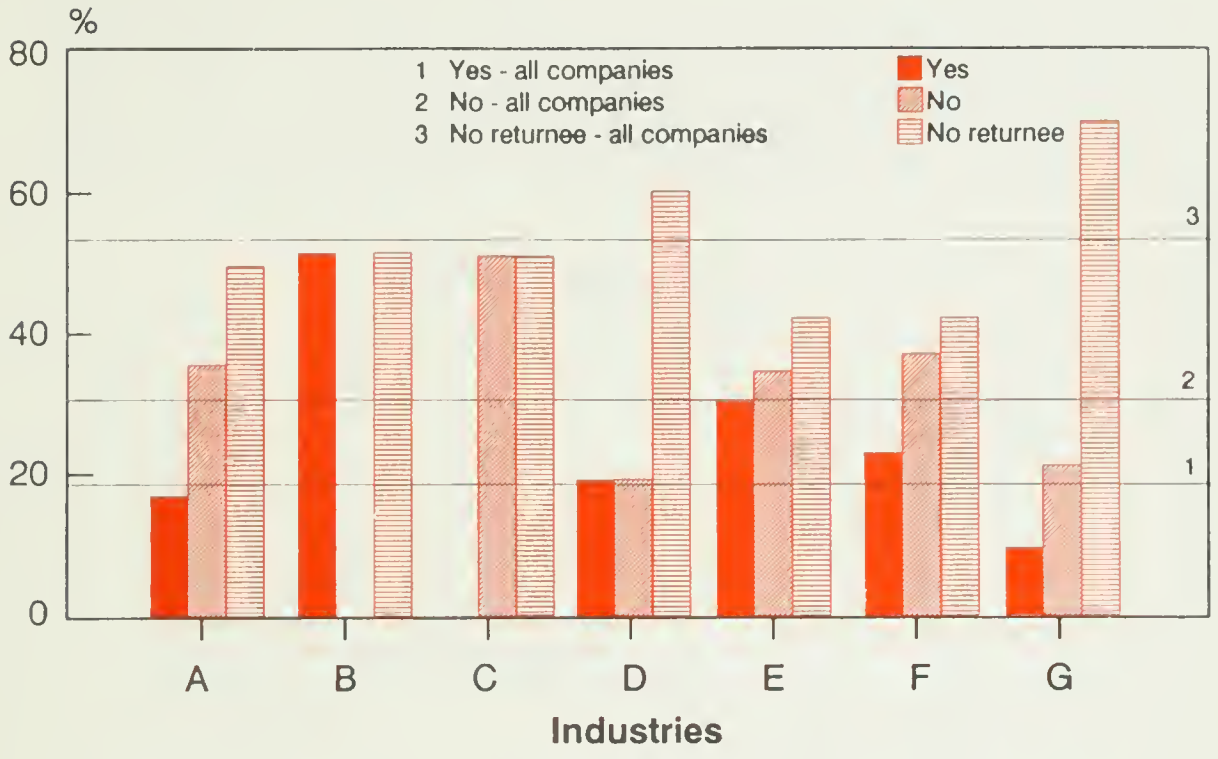
RETURNEES

The most difficult aspect of the emigration phenomenon to estimate is the rate at which people are returning to the territory having gained citizenship elsewhere. This is because of a lack of hard data and the problems of matching flows and estimating time lags. The official government estimate is between 15 and 20 per cent. The 1988 HKIPM Pay Trend Survey used a simple comparison of number of emigrants from firms to number of returnees hired to show "returnee rates" of 0.5 per cent for junior staff, 3.5 per cent for supervisors, 8.4 percent for middle managers and 15.3 percent for senior managers (HKIPM, 1988). In this survey we asked questions to ascertain not only the returnee rates but also the recruitment situation and employment conditions.

1. Number of Returnees

Companies were asked whether the number of returnees (H.K. belongers now holding dual citizenship or a foreign passport) on their staff has been rising (Figure 23). At least half of the companies in almost all sectors other than the finance/insurance/real estate/business and professional services and transport/storage/communication sectors, reported that there were no returnees. The largest number of firms that reported an increase in returnees were those in the utilities (50 per cent) and transport/storage/communication sectors (27 per cent). Overall, about 20 per cent of the companies acknowledged a rise in the number of returnees on record.

Figure 23 : Number of Returnees has been Rising



A : Manufacturing
B : Electricity/Gas/Water
C : Construction
D : Wholesale/Retail/Restaurant/Hotel/Import/Export
E : Transport/Storage/Communication
F : Finance/Insurance/Real Estate/Business and Professional Services
G : Other Services

The returnee rates for various industries were also calculated and are represented in table 5. Except manufacturing, all industries showed an increase in returnee rate from 1987 to 1988. The returnee rates were higher in manufacturing sector (20.9 per cent in 1987 and 17.6 per cent in 1988) and other services (17.0 per cent in 1987 and 17.2 per cent in 1988). Overall, our sample showed a 8.2 per cent and 8.5 per cent returnee rate in 1987 and 1988 respectively.

Table 5 Returnee Rates*

Industries	Returnee Rates* (%)	
	1987	1988
Manufactory	20.9	17.6
Utilities	0	1.8
Construction	0	3.9
Wholesale/retail/restaurant/hotel/ import/export	7.1	7.5
Transport/storage/communication	5.2	6.1
Finance/insurance/real estate/ business and professional services	7.5	7.8
Other services	17.0	17.2
All industries	8.2	8.5

* Returnee rate = $\frac{\text{total number of returnees}}{\text{total number of emigrants}}$

2. Jobs Offered to Returnees

The responding companies were asked to describe the percentage of job offers made to intending returnees that were accepted and the reasons given by those returnees who were offered jobs but declined. The results are represented in table 6 and table 7. On the whole, about one-third of the companies said all their job offers to returnees were accepted. There could be more of such cases because quite a large number of firms (37 per cent) were uncertain about how many offers to returnees were accepted. As for why such offers were declined, the most commonly cited reason was that there were more favourable offers elsewhere (41 per cent).

Table 6 : The Percentage of job offers made to intending returnees that were accepted

	All accepted		About 1/2 accepted		A small % accepted		None accepted		Can't estimate or don't remember	
	%	Number	%	Number	%	Number	%	Number	%	Number
Manufacturing	35.5	6	0.0	0	11.8	2	11.8	2	41.2	7
Electricity/Gas/ Water	100.0	1	0.0	0	0.0	0	0.0	0	0.0	0
Construction	100.0	1	0.0	0	0.0	0	0.0	0	0.0	0
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	16.7	1	33.3	2	16.7	1	0.0	0	33.3	2
Transport/Storage/ Communication	40.0	4	20.0	2	0.0	0	0.0	0	40.0	4
Finance/Insurance/ Real Estate/Business and Professional Services	19.2	5	19.2	5	23.1	6	0.0	0	38.5	10
Other Services	25.0	1	0.0	0	0.0	0	0.0	0	75.0	3
Overall	33.3	19	14.0	8	12.3	7	3.5	2	36.8	21

Table 7 : Why returnees rejected the job offers?

	Better Offers eleswherer		Want a change in working environment		Afraid returnee status may cause resentment		Other reason(s)		No reason(s) given	
	%	Number	%	Number	%	Number	%	Number	%	Number
Manufacturing	18.2	2	9.1	1	9.1	1	18.2	2	45.5	5
Electricity/Gas/ Water	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Construction	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	33.3	1	0.0	0	0.0	0	0.0	0	66.7	2
Transport/Storage/ Communication	33.3	1	0.0	0	0.0	0	66.7	2	0.0	0
Finance/Insurance/ Real Estate/Business and Professional Services	57.1	8	7.1	1	7.1	1	7.1	1	21.4	3
Other Services	66.7	2	0.0	0	0.0	0	33.3	1	0.0	0
Overall	40.6	13	6.3	2	6.3	2	18.8	6	28.1	9

3. Employment Terms for Returnees

More than half of the companies gave local employment terms (59 per cent) to returnees. A significant proportion of companies offered local terms plus relocation aid (16 per cent) and a very small percentage of companies offered full expatriate terms (1.7 per cent). About 21 per cent of the companies determined the returnees terms on a case by case basis. The detailed breakdowns by industry are represented in Table 8. It can be seen that full expatriate terms were offered by only one firm in the manufacturing sector. As differential treatment to returnees may cause resentment among the local staff, many companies are naturally reluctant to offer expatriate terms to returnees. However, such employment practices may discourage emigrants from returning to work in the territory.

Table 8 : On what terms are returnees hired in your company/organisation?

	Local terms		Local terms plus relocation aid		Modified local terms		Full expatriate terms		case by case	
	%	Number	%	Number	%	Number	%	Number	%	Number
Manufacturing	60.0	9	20.0	3	0.0	0	6.7	1	13.3	2
Electricity/Gas/ Water	0.0	0	0.0	0	0.0	0	0.0	0	100.0	1
Construction	50.0	1	0.0	0	0.0	0	0.0	0	50.0	1
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	83.3	5	0.0	0	0.0	0	0.0	0	16.7	1
Transport/Storage/ Communication	66.7	8	16.7	2	8.3	1	0.0	0	8.3	1
Finance/Insurance/ Real Estate/Business and Professional Services	51.9	14	18.5	5	3.7	1	0.0	0	25.9	7
Other Services	60.0	3	0.0	0	0.0	0	0.0	0	40.0	2
Overall	58.6	34	15.5	9	3.4	2	1.7	1	20.7	12

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CONCLUSION

Our survey results show that Hong Kong organisations experienced increasing labour turnover and emigration turnover between 1987 and 1988. Emigration turnover in our study was most serious in the finance/insurance/real estate/business and professional services in both years. If we examine the demographic data of the emigrants, the situation is even more worrying. The majority of the emigrants were aged between 25 and 39; most had post-secondary or university qualifications; the majority were at supervisory, middle-management or professional grades. Staff with such background and skills are obviously difficult to replace. About half of our responding companies admitted such a difficulty with the wholesale/retail/restaurant/hotel/import/export sector feeling the greatest strain.

On the whole, responding companies found that emigration vacuums at middle-management, professional and technical levels were most difficult to fill. What is most worrying about these figures is that the managerial, professional, administrative and technical group who make up around 11 per cent of the HK working population represent more than 60 per cent of the 'emigration turnover' experienced by the companies in the survey. If these results were projected more widely this would signal a large problem in terms of "professional and managerial drain" from H.K. In fact, the H.K. Government Special Task Force has recently announced that out of the 45,800 emigrants in 1988, 11,200 were from the professional, technical, administrative and managerial group.

To alleviate the replacement problems, the majority of our respondents had speeded up internal promotion ladders and were offering higher salaries. About one-third of our respondents said that they had to slow down their localisation programmes because of the emigration situation. Interestingly, very few companies had recruited more expatriates or "over-hired" to solve the labour shortage situation due to emigration. Special arrangements such as granting leave of absence to emigrating employees, placing emigrating employees at the companies' overseas subsidiaries/branches or other overseas companies, and keeping contact with emigrated employees were rarely used. Shorter-term measures such as faster promotion and higher salary were preferred by most organisations in our survey. However, such strategies may result in some undesirable consequences. Firstly, employees may be promoted beyond their competence level which will eventually affect organisational effectiveness. Secondly, faster promotion together with a contracting labour market puts a great strain upon the succession planning, career development, and training systems of organizations. In addition, the emigration of training professionals has resulted in a number of organisations being unable to meet their increasing training demand. Salary competition may lead to general salary inflation and an upward salary spiral. Finally, there are many associated personnel problems such as individual managers developing much shorter term orientations as they begin to consider the emigration option. They may have less commitment to the long term growth and success of the company. There may be more stress and interpersonal strain among employees who have "split families" with one or more family members having emigrated to establish a new job or home overseas.

Very few companies have used longer-term methods such as easing staff emigration and attracting returnees probably because of the uncertainty of their effectiveness. For example, only one-third of the responding companies said that all their job offers to returnees were accepted. Such response is discouraging to companies that intend to attract returnees. In addition, our professional survey (Kirkbride, Tang and Ko, 1989) shows that more than half of the returnees intend to leave HK again before 1997. This casts doubt on the Government's "insurance policy" argument and on the wisdom of recruiting too many returnees with any long term expectations as to their stability.

There have been suggestions that emigration may not be a problem because those who had left Hong Kong would return after securing a second passport. However, about half of our responding companies in almost all sectors reported that there were no returnees among their staff. The overall returnee rates were below 10 per cent in both 1987 and 1988. Thus organisations need to overcome the present labour shortage problem by better utilisation of the remaining staff in their organisations and the potential human resource in the labour market. A leaner and more efficient organisation structure is necessary when labour is no longer abundant and cheap. Better personnel and training policies are required to attract, retain and develop the scarce human resource. One could argue that the positive impact of emigration is that many companies have been forced to focus much more effort on their employees and in particular on their training and development and such investment will benefit Hong Kong in the long-run. Finally, business organisations alone cannot resolve the problems. This can only be done by the politicians in UK and Beijing in terms of creating increased public confidence in the future of Hong Kong after 1997 as a Special Administrative Region.

Footnotes

1. For all figure and tables, the actual sample size are stated in brackets.

2. Although utilities are represented by two companies in this study, bias is likely to be minimal because there are only three companies in the entire sector of electricity, gas and water in Hong Kong.

ACKNOWLEDGEMENT

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APPENDIX I

Hong Kong Institute of Personnel Management

"Emigration from Hong Kong" Survey

Questionnaire for Organisations

January 1989

Acknowledgement

Thanks are owed to the following organisations for their support and/or financial assistance in the course of this survey:

The American Chamber of Commerce in Hong Kong
The Chinese Manufacturers' Association of Hong Kong
Employers' Federation of Hong Kong
The Hong Kong General Chamber of Commerce
The Hong Kong Management Association
Hong Kong and China Gas Co. Ltd.
Hutchison
Jardine Matheson & Co. Ltd.
Sime Darby Hong Kong Ltd.

Research Profile

Goal

Hong Kong's labour force has been losing high-calibre personnel as a result of emigration in the past few years. The current project is the first attempt in the private sector to gather data on this issue from a large number of individuals and organisations through a series of surveys.

The present survey has the following objectives:

1) To understand the demographic and socioeconomic characteristics of employees who choose to emigrate;

2) To find out how companies/organisations are affected by the emigration problem;

3) To ascertain how companies/organisations are responding to the problem and identify potential organisational solutions.

It is hoped that results from this study will provide valuable information to people and organisations affected by or concerned about the emigration problem.

Data

About 3,000 organisations of different sizes and from different industries/professions were randomly selected to answer this questionnaire. Respondents are assured that all the data will be aggregated and treated in the strictest confidence.

Research Team

Principal Researcher : Dr. Paul S. Kirkbride (BA, MSc, PhD, MIPM, MITD, MHKIPM)

Associate Researchers: Mr. Peter Barrett (BA, DMS, CIPM, FBIM, FIM, FHKIMP)
Mrs. Sara F.Y. Tang (BSc, MBA)

Research Assistant : Mr. Gilbert K.Y. Ko (BSc, MA)

For each of the following questions, if the answers are numbered, please tick one appropriate space uless stated otherwise; if only blank lines are provided, please supply the relevant information in each appropriate space.

Office Use

SECTION I: Background information

Q.1 Which of the following industrial category is your company/organisation associated with?

[1]
6) _____

_____ 1 Agricultural & fishing
_____ 2 Mining & quarrying
_____ 3 Manufacturing
_____ 4 Electricity, gas & water
_____ 5 Construction
_____ 6 Wholesale & retail trade, restaurants & hotels
_____ 7 Transport, storage & communication
_____ 8 Financing, insurance, real estate & business services
_____ 9 Services
_____ 10 Other (please specify) _____

Q.2 Please indicate the **number** of employees in each space provided. If the answer is nil, mark "0"; if the information is not available, mark "NA".

	1987	1988	Office Use
a. No. of staff employed by level			
Top management	_____	_____	8) _____ 10) _____
Middle management	_____	_____	12) _____ 16) _____
Supervisory	_____	_____	20) _____ 24) _____
Professional	_____	_____	28) _____ 32) _____
Technical	_____	_____	36) _____ 40) _____
Secretarial	_____	_____	44) _____ 48) _____
Clerical	_____	_____	52) _____ 56) _____
Manual	_____	_____	60) _____ 64) _____
Other (please specify) _____	_____	_____	68) _____ 73) _____
Total no. of staff employed	_____	_____	[2] 6) _____ 13) _____
b. No. of employees who resigned	_____	_____	22) _____ 26) _____
c. No. of new recruits	_____	_____	30) _____ 34) _____
d. No. of expatriate employees	_____	_____	38) _____ 42) _____
e. No. of returnees (H.K. natives now holding dual citizenship or foreign passport) by organisational grade/level:			
Top management	_____	_____	46) _____ 49) _____
Middle management	_____	_____	52) _____ 55) _____
Supervisory	_____	_____	58) _____ 61) _____
Professional	_____	_____	64) _____ 67) _____
Technical	_____	_____	70) _____ 73) _____
Secretarial	_____	_____	76) _____ 6) _____
Clerical	_____	_____	10) _____ 13) _____
Manual	_____	_____	16) _____ 19) _____
Other (please specify) _____	_____	_____	22) _____ 28) _____
Total no. of returnees	_____	_____	[3] 34) _____ 38) _____
f. No. of employees who resigned to **emigrate**	_____	_____	42) _____ 46) _____

If both answers in f. above are either "0" or "NA", you may stop here and return the questionnaire to the address on page 7. Otherwise, please proceed to Section II.

SECTION II: Characteristics of emigrated employees

Office Use

For each question in this section, please put down the **number** of **emigrated** employees in the appropriate space for each year. The data should apply to the individuals **at the time** of resignation, but if such information is unavailable, please use the most updated record prior to resignation.

Q.3 Age:

	1987	1988	Office Use
Under 25			50) ____ 53) ____
25 – 29			56) ____ 59) ____
30 – 39			62) ____ 65) ____
40 – 49			68) ____ 71) ____
50 – 64			74) ____ 77) ____
65 or above			7) ____ 10) ____ [4]

Q.4 Sex:

	1987	1988	Office Use
Male			13) ____ 16) ____
Female			19) ____ 22) ____

Q.5 Highest educational level attained:

	1987	1988	Office Use
Primary			25) ____ 28) ____
Secondary			31) ____ 34) ____
Post-secondary		-77)—	37) ____ 40) ____
(including T. I. / Polytechnic certificate/diploma)			
Graduate (bachelor's degree)			43) ____ 46) ____
Post-graduate (post-graduate diploma/certificate, master's degree, Ph. D.)			49) ____ 52) ____
Other (please specify) _____			55) ____ 61) ____

Q.6 With professional qualification? (e.g. accountant, engineer)

	1987	1988	Office Use
Yes			67) ____ 70) ____
No			73) ____ 75) ____

Q.7 Marital status:

	1987	1988	Office Use
			[5]
Single (including divorced, separated or widowed)			77) ____ 7) ____
Married, with no children			10) ____ 13) ____
Married, with children			16) ____ 19) ____

Q.8 Organisational grade/level:

	1987	1988	Office Use
Top management			22) ____ 25) ____
Middle management			28) ____ 31) ____
Supervisory			34) ____ 37) ____
Professional			40) ____ 43) ____
Technical			46) ____ 49) ____
Secretarial			52) ____ 55) ____
Clerical			58) ____ 61) ____
Manual			64) ____ 67) ____
Other (please specify) _____			70) ____ 74) ____

Q.9 Final basic salary (annual): (including contractual 13th month bonus but excluding discretionary bonuses)

	1987	1988	Office Use
			[6]
Less than $50,000	_____	_____	7) _____ 10) _____
$ 50,000 – $ 99,999	_____	_____	13) _____ 16) _____
$100,000 – $149,999	_____	_____	19) _____ 22) _____
$150,000 – $249,999	_____	_____	25) _____ 28) _____
$250,000 – $399,999	_____	_____	31) _____ 34) _____
$400,000 – $599,999	_____	_____	37) _____ 40) _____
$600,000 – $899,999	_____	_____	43) _____ 46) _____
$900,000 or more	_____	_____	49) _____ 52) _____

The remaining sections consist entirely of opinion-type questions that do not call for precise statistical answers. Please tick the appropriate answer according to your experience or impression of the situation. Since the questions may require rather in-depth understanding of your organisation's personnel matters, it is important that you or some senior personnel staff complete this part.

SECTION III: Impact of emigration

The questions in this section focus on how emigration in the past two years has affected your company/ organisation.

Impact on recruitment

Q. 10a Has it been difficult to replace the emigrated employees with people of comparable calibre? 55) _____

_____ 1 Yes → go to Q. 10b
_____ 0 No → go to Q. 11

Q. 10b At which organisational grade/level has this been most difficult? 56) _____

_____ 1 Top management
_____ 2 Middle management
_____ 3 Supervisory
_____ 4 Professional
_____ 5 Technical
_____ 6 Secretarial
_____ 7 Clerical
_____ 8 Manual
_____ 9 Other (please specify) _____

Q.11 Has your localisation program (to gradually replace expatriates with local staff) been slowed down as a result of emigration loss? 58) _____

_____ 1 Yes
_____ 0 No
_____ 2 No such program

Q. 12 Have you been hiring more expatriates? 59) _____

_____ 1 Yes, because of shortage of local candidates due to emigration
_____ 2 Yes, but for other reasons
_____ 0 No

Q. 13a Which region(s) do **most** of your expatriate staff come from?

Office Use

60) _____

_____ 1. North America (U.S. & Canada)
_____ 2. Central America
_____ 3. South America
_____ 4 Europe
_____ 5 Australia & New Zealand
_____ 6 Asia
_____ 7 Middle East
_____ 8 Africa
_____ 9 Other (please specify) _____
_____ 10 No expatriate staff

Q. 13b Which region(s) do **most** of your expatriate staff to **replace** emigrated staff come from?

62) _____

_____ 1 North America (U.S. & Canada)
_____ 2 Central America
_____ 3 South America
_____ 4 Europe
_____ 5 Australia & New Zealand
_____ 6 Asia
_____ 7 Middle East
_____ 8 Africa
_____ 9 Other (please specify) _____
_____ 10 No such kind of expatriate staff

Q. 14 Has the number of returness (H.K. natives now holding dual citizenship or foreign passport) on your staff been **rising**?

64) _____

_____ 1 Yes ——→ go to Q. 15
_____ 0 No ——→ go to Q. 15
_____ 2 No returnees ——→ go to Q. 17a

Q. 15 On what terms are returnees hired in your company/organisation?

65) _____

_____ 1 Local terms
_____ 2 Local terms once landed but assistance provided with relocation expenses
_____ 3 Modified local terms (please specify)
_____
_____ 4 Full expatriate terms
_____ 5 Case by case
_____ 6 Not applicable because _____
_____

Q. 16a How would you describe the percentage of job offers made to intending returnees that were accepted?

67) _____

_____ 1 All accepted ——→ go to Q. 17a
_____ 2 About half accepted
_____ 3 A small percentage accepted
_____ 4 None accepted
_____ 5 Can't estimate/don't remember

Q. 16b What reason(s) did thost returnees who rejected your job offer give? (you may check more than one answer)

_____ 1 They had better offers elsewhere — 68) _____
_____ 2 They would like to work at a different place — 69) _____
_____ 3 They didn't want their returnee status to create uneasy feelings among former peers/colleagues — 70) _____
_____ 4 They had other reason(s) (please specify) _____ — 71) _____
_____
_____ 5 They didn't give any specific reason

Q. 17a Have you hired more people than you need to avoid potential staff shortage caused by emigration? | Office Use

72) _____

_____ 1 Yes _____ 0 No
_____ 2 Not applicable because _____

Q. 17b Will you hire more people than you need to avoid potential staff shortage caused by emigration? 73) _____

_____ 1 Yes _____ 0 No
_____ 2 Not applicable because _____

Impact on promotion

Q. 18 Have you been promoting your employees (or some employees) faster than usual in order to fill the spaces left by emigrated staff? 74) _____

_____ 1 Yes _____ 0 No
_____ 2 Not applicable because _____

Impact on salary

Q. 19 Because of emigration, have you had to offer higher salaries (on top of normal inflationary adjustments) to recruit:

a. returnees? 75) _____
_____ 1 Yes
_____ 0 No
_____ 2 No returnees

b. local replacements? 76) _____
_____ 1 Yes
_____ 0 No

Impact on training

Q.20 How muct strain has the emigration problem put on your budget for training and development?

[7]
6) _____

_____ 1 A lot
_____ 2 Some
_____ 3 Very little
_____ 4 None at all

SECTION IV: Arrangement with emigrating employees

Q.21 For employees who are emigrating but may return in the future, do you:

a. Grant special leave of absence? 7) _____

_____ 1 Yes _____ 0 No

b. Arrange employment abroad for them through
1/ your overseas subsidiary/branch? 8) _____

_____ 1 Yes
_____ 0 No
_____ 2 No overseas subsidiary/branch

2/ other overseas companies/organisations? 9) _____

_____ 1 Yes _____ 0 No

c. Provide any other continuity link or special arrangement to keep in touch? | Office Use

_____ 1 Yes (please specify) _____ | 10) _____

_____ 0 No

SECTION V: Recommendation

Q.22 In your opinion, what are some of the measures that can be taken to tackle or solve the problem of continued labour outflow as a result of emigration? | 11) _____

_____

_____

_____

_____

_____

_____

Thank you for completing this questionnaire. Please return it to the address below.

Mr. Gilbert Ko
"Emigration from H.K."
Department of Business & Management
City Polytechnic of H.K.
Argyle Centre, Tower II
700 Nathan Road
Kowloon
Hong Kong

Phone: 3-984717

APPENDIX II

Table 1. Turnover Rate

	Arithmetic average turnover rate (Number of resigned/Number of staff)		Weighted turnover (Sum resigned/Sum staff)
	Percent	Number[1]	Percent
Manufacturing			
1987	32.2	57	34.6
1988	32.4	62	40.8
Electricity/Gas/ Water			
1987	4.9	2	5.2
1988	7.0	2	7.5
Construction			
1987	34.8	6	19.8
1988	37.2	8	25.5
Wholesale/Retail/ Resturant/Hotel Import/Export			
1987	31.6	27	26.8
1988	37.7	31	26.5
Transport/Storage/ Communication			
1987	22.9	20	15.9
1988	33.5	21	24.7
Finance/Insurance/ Real Estate/Business and Professional Services			
1987	28.9	51	23.0
1988	37.5	58	32.6
Other Services			
1987	29.7	29	24.7
1988	32.6	32	24.6
Overall			
1987	29.2	179	21.5
1988	33.1	198	26.7

[1]Number equals to number of cases.

Table 2. Emigration Rate

	Arithmetic average emigration rate 1 [Number of emigrated/ Number of staff]		Weighted emigration rate 1 [Sum emigrated/Sum staff]	Arithmatic average emigration rate 2 [Number of emigrated Number of resigned]		Weighted emigration rate 2 [Sum emigrated/Sum resigned]
	Percent	Number	Percent	Percent	Number	Percent
Manufacturing						
1987	0.49	51	0.59	4.9	41	1.7
1988	0.96	57	0.87	6.5	49	2.1
Electricity/Gas/ Water						
1987	0.89	2	1.04	17.6	2	19.8
1988	1.17	2	1.36	16.2	2	18.2
Construction						
1987	1.03	4	0.77	2.3	5	3.9
1988	1.55	7	1.07	5.2	7	4.2
Wholesale/Retail/ Resturant/Hotel Import/Export						
1987	0.95	27	0.37	8.3	23	1.4
1988	1.07	35	0.76	8.5	29	2.9
Transport/Storage/ Communication						
1987	1.17	22	0.70	14.8	18	4.4
1988	1.50	25	1.32	9.4	21	5.3
Finance/Insurance/ Real Estate/Business and Professional Services						
1987	1.53	50	1.21	9.5	51	5.3
1988	2.21	57	1.88	9.7	57	5.8
Other Services						
1987	1.22	27	0.76	10.6	25	3.1
1988	1.58	31	1.20	10.4	29	4.9
Overall						
1987	0.99	169	0.79	9.1	150	3.7
1988	1.45	197	1.28	8.9	177	4.8

Table 3. Age of Emigrants

	under 25		25-29		30-39		40-49		50-64		65+		Number of companies
	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	Number
Manufacturing													
1987	2.1	3	25.0	35	62.1	87	10.0	14	0.7	1	0.0	0	24
1988	5.6	14	24.1	60	58.2	145	10.0	25	1.6	4	0.4	1	36
Electricity/Gas Water													
1987	2.3	2	28.7	25	55.2	48	11.5	10	2.3	2	0.0	0	2
1988	0.9	1	11.4	13	56.1	64	25.4	29	6.1	7	0.0	0	2
Construction													
1987	2.8	1	5.6	2	66.7	24	16.7	6	8.3	3	0.0	0	2
1988	2.0	1	25.5	13	52.9	27	15.7	8	3.9	2	0.0	0	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export													
1987	4.3	3	34.8	24	43.5	30	15.9	11	1.4	1	0.0	0	15
1988	11.5	22	22.9	44	47.9	92	12.5	24	5.2	10	0.0	0	23
Transport/Storage/ Communication													
1987	3.0	5	20.7	34	59.1	97	14.0	23	3.0	5	0.0	0	15
1988	6.7	30	27.1	121	51.5	230	12.3	55	2.0	9	0.4	2	21
Finance/Insurance/ Real Estate/Business and Professional Service													
1987	4.2	21	26.7	134	52.8	265	13.9	70	2.4	12	0.0	0	39
1988	5.2	36	24.4	169	49.4	343	18.7	130	2.3	16	0.0	0	42
Other Service													
1987	3.8	5	29.2	38	52.3	68	11.5	15	3.1	4	0.0	0	18
1988	3.6	8	19.2	43	54.5	122	17.4	39	5.4	12	0.0	0	22
Overall													
1987	3.6	36	25.2	250	54.7	543	13.9	138	2.5	25	0.0	0	102
1988	5.6	99	22.9	405	52.4	925	16.0	282	2.9	52	0.2	3	136

Table 4. Sex of Emigrants

	Male		Female		Number of companies
	Percent	Number	Percent	Number	Number
Manufacturing					
1987	71.4	100	28.6	40	25
1988	63.4	151	36.6	87	36
Electricity/Gas/ Water					
1987	93.1	81	6.9	6	2
1988	87.8	86	12.2	12	1
Construction					
1987	83.3	30	16.7	6	2
1988	62.7	32	37.3	19	5
Wholesale/Retail/ Resturant/Hotel Import/Export					
1987	75.4	52	24.6	17	15
1988	70.1	129	29.9	55	22
Transport/Storage/ Communication					
1987	56.1	88	43.9	69	15
1988	57.6	259	42.4	191	21
Finance/Insurance/ Real Estate/Business and Professional Services					
1987	56.7	293	43.3	224	40
1988	57.7	451	42.3	331	46
Other Services					
1987	43.8	49	56.3	63	17
1988	38.0	84	62.0	137	22
Overall					
1987	61.2	601	38.8	381	103
1988	59.1	1081	40.9	749	139

Table 5. Marital Status of Emigrants

	Single		Married, no kids		Married with kids		Number of companies
	%	Number	%	Number	%	Number	Number
Manufacturing							
1987	34.1	47	19.6	27	46.4	64	23
1988	40.3	95	17.8	42	41.9	99	35
Electricity/Gas/ Water							
1987	27.6	24	14.9	13	57.5	50	2
1988	23.7	27	8.8	10	67.5	77	2
Construction							
1987	19.4	7	27.8	10	52.8	19	2
1988	21.6	11	35.3	18	43.1	22	5
Whole Sale/Retail/ Resturant/Hotel Import/Export							
1987	47.8	32	20.9	14	31.3	21	13
1988	42.3	77	14.8	27	42.9	78	21
Transport/Storage/ Communication							
1987	32.7	64	23.0	45	44.4	87	16
1988	31.1	161	28.8	149	40.0	207	22
Finance/Insurance/ Real Estate/Business and Professional Services							
1987	38.7	182	18.9	89	42.3	199	36
1988	37.1	272	20.2	148	42.8	314	43
Other Services							
1987	45.4	59	26.9	35	27.7	36	18
1988	38.0	82	21.3	46	40.7	88	20
Overall							
1987	35.6	352	20.0	198	44.4	440	99
1988	34.9	648	21.8	404	43.3	803	135

Table 6. Highest Educational Level Attained by Emigrants

	Primary		Secondary		Post-Secondary		Graduate Degree		Post-graduate Degree		Other		Number of companies
	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	Number
Manufacturing													
1987	15.0	21	20.0	28	25.7	36	32.9	46	6.4	9	0.0	0	24
1988	5.0	12	31.3	75	26.7	64	29.6	71	6.7	16	0.8	2	36
Electricity/Gas Water													
1987	13.5	5	32.4	12	8.1	3	16.2	6	0.0	0	29.7	11	2
1988	3.5	4	21.1	24	36.0	41	23.7	27	3.5	4	12.3	14	2
Construction													
1987	0.0	0	11.1	4	38.9	14	38.9	14	11.1	4	0.0	0	2
1988	0.0	0	37.3	19	25.5	13	25.5	13	11.8	6	0.0	0	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export													
1987	1.5	1	33.8	23	27.9	19	26.5	18	5.9	4	4.4	3	14
1988	2.6	5	51.8	99	20.4	39	22.0	42	3.1	6	0.0	0	22
Transport/Storage/ Communication													
1987	3.1	5	29.4	48	41.7	68	16.0	26	8.6	14	1.2	2	15
1988	0.8	4	43.6	209	30.5	146	20.0	96	4.8	23	0.2	1	21
Finance/Insurance/ Real Estate/Business and Professional Service													
1987	0.2	1	43.8	190	20.5	89	27.0	117	8.5	37	0.0	0	36
1988	0.9	6	46.2	316	24.1	165	22.1	151	6.4	44	0.3	2	43
Other Service													
1987	0.0	0	21.7	23	23.6	25	40.6	43	12.3	13	1.9	2	17
1988	3.3	6	31.5	57	31.5	57	21.5	39	5.5	10	6.6	12	19
Overall													
1987	3.7	33	34.4	309	25.8	231	26.4	237	7.8	70	1.9	17	99
1988	2.1	37	41.9	751	26.7	479	22.3	399	5.4	96	1.7	30	136

Table 7. Organizational Grade/Level of Emigrants

	Top Management		Middle Management		Supervisory		Professional		Technical	
	%	Number	%	Number	%	Number	%	Number	%	Number
Manufacturing										
1987	4.3	6	15.7	22	7.1	10	17.9	25	18.6	26
1988	5.3	13	14.2	35	12.2	30	26.8	66	8.5	21
Electricity/Gas Water										
1987	0.0	0	1.8	1	29.1	16	38.2	21	21.8	12
1988	1.4	1	1.4	1	24.3	17	40.0	28	21.4	15
Construction										
1987	5.6	2	13.9	5	36.1	13	33.3	12	2.8	1
1988	3.9	2	13.7	7	17.6	9	37.3	19	3.9	2
Wholesale/Retail/ Restaurant/Hotel/ Import/Export										
1987	5.9	4	25.0	17	7.4	5	20.6	14	10.3	7
1988	6.4	12	14.4	27	15.4	29	11.7	22	10.1	19
Transport/Storage/ Communication										
1987	1.3	2	10.8	17	21.7	34	7.0	11	14.6	23
1988	1.1	4	10.0	37	21.6	80	13.5	50	9.5	35
Finance/Insurance/ Real Estate/Business and Professional Service										
1987	5.2	25	23.5	114	28.9	140	9.3	45	4.7	23
1988	3.4	27	23.3	185	27.9	221	11.2	89	2.5	20
Other Service										
1987	2.9	4	21.9	30	24.1	33	24.1	33	3.6	5
1988	1.4	3	15.8	35	24.3	54	23.4	52	5.4	12
Overall										
1987	3.7	35	19.6	185	25.2	238	14.3	135	7.7	73
1988	3.0	52	17.3	301	23.9	415	15.7	272	6.2	108

Table 7. Cont.

	Secretarial		Clerical		Manual		Other		Number of companies
	%	Number	%	Number	%	Number	%	Number	Number
Manufacturing									
1987	8.6	12	1.4	2	26.4	37	0.0	0	23
1988	15.4	38	4.9	12	12.6	31	0.0	0	36
Electricity/Gas Water									
1987	0.0	0	0.0	0	9.1	5	0.0	0	2
1988	0.0	0	0.0	0	11.4	8	0.0	0	2
Construction									
1987	2.8	1	5.6	2	0.0	0	0.0	0	2
1988	13.7	7	7.8	4	2.0	1	0.0	0	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export									
1987	13.2	9	1.5	1	4.4	3	11.8	8	14
1988	11.2	21	8.0	15	10.6	20	12.2	23	21
Transport/Storage/ Communication									
1987	10.8	17	14.6	23	8.3	13	10.8	17	15
1988	12.7	47	12.2	45	3.8	14	15.7	58	19
Finance/Insurance/ Real Estate/Business and Professional Service									
1987	6.8	33	19.0	92	1.4	7	1.2	6	34
1988	9.6	76	19.7	156	1.8	14	0.6	5	43
Other Service									
1987	2.2	3	10.2	14	0.7	1	10.2	14	18
1988	8.1	18	10.8	24	1.8	4	9.0	20	20
Overall									
1987	6.6	62	12.7	120	6.6	62	3.5	33	96
1988	9.9	172	13.7	237	4.6	79	5.8	100	134

Table 8. Final Basic Salary[2] (Annual) of Emigrants

	Below $50000		$50000-$99999		$100000-$149999		$150000-$249999		$250000-$399999	
	%	Number	%	Number	%	Number	%	Number	%	Number
Manufacturing										
1987	6.7	9	45.9	62	22.2	30	16.3	22	5.2	7
1988	13.8	34	38.2	94	20.7	51	15.0	37	9.3	23
Electricity/Gas Water										
1987	6.1	2	12.1	4	15.2	5	66.7	22	0.0	0
1988	7.9	9	13.2	15	11.4	13	33.3	38	30.7	35
Construction										
1987	5.6	2	27.8	10	38.9	14	11.1	4	16.7	6
1988	3.9	2	45.1	23	27.5	14	7.8	4	9.8	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export										
1987	14.7	10	38.2	26	19.1	13	17.6	12	5.9	4
1988	25.0	48	34.9	67	18.8	36	13.5	26	6.3	12
Transport/Storage/ Communication										
1987	18.5	29	30.0	47	26.8	42	18.5	29	5.7	9
1988	15.1	68	31.6	142	26.9	121	18.2	82	6.7	30
Finance/Insurance/ Real Estate/Business and Professional Service										
1987	9.0	46	27.3	139	33.3	170	22.0	112	6.7	34
1988	5.7	43	28.1	212	31.9	241	23.7	179	9.0	68
Other Service										
1987	13.1	17	25.4	33	34.6	45	18.5	24	7.7	10
1988	8.3	18	27.8	60	44.0	95	13.9	30	5.1	11
Overall										
1987	9.7	91	30.3	283	30.5	285	21.5	201	6.2	58
1988	10.4	190	30.2	550	28.6	520	20.1	366	8.8	160

[2]The salary includes contractual 13th month bonus but excludes discretionary bonuses.

Table 8. Cont.

	$400000-$590000		$600000-$899999		$900000+		Number of companies
	%	Number	%	Number	%	Number	Number
Manufacturing							
1987	3.0	4	0.7	1	0.0	0	21
1988	2.4	6	0.4	1	0.0	0	35
Electricity/Gas Water							
1987	0.0	0	0.0	0	0.0	0	2
1988	3.5	4	0.0	0	0.0	0	2
Construction							
1987	0.0	0	0.0	0	0.0	0	2
1988	5.9	3	0.0	0	0.0	0	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export							
1987	4.4	3	0.0	0	0.0	0	14
1988	1.6	3	0.0	0	0.0	0	23
Transport/Storage/ Communication							
1987	0.6	1	0.0	0	0.0	0	15
1988	1.6	7	0.0	0	0.0	0	21
Finance/Insurance/ Real Estate/Business and Professional Service							
1987	1.6	8	0.2	1	0.0	0	36
1988	1.1	8	0.4	3	0.1	1	45
Other Service							
1987	0.8	1	0.0	0	0.0	0	18
1988	0.5	1	0.5	1	0.0	0	21
Overall							
1987	1.5	14	0.2	2	0.0	0	95
1988	1.6	29	0.2	4	0.1	1	137

Table 9. Has it been difficult to replace the emigrated employees with people of comparable calibre?

Table 9A. Difficulty in replacing emigrated staff.

	Yes		No	
	%	Number	%	Number
Manufacturing	50.0	19	50.0	19
Electricity/Gas Water	50.0	1	50.0	1
Construction	40.0	2	60.0	3
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	65.0	13	35.0	7
Transport/Storage/ Communication	43.5	10	56.5	13
Finance/Insurance/ Real Estate/Business and Professional Service	38.0	19	62.0	31
Other Service	30.4	7	69.6	16
Overall	44.5	65	55.5	81

Table 9B. Difficulty at which level.

	Top Management		Middle Management		Supervisory		Professional		Technical	
	%	Responses[3]	%	Responses	%	Responses	%	Responses	%	Responses
Manufacturing	13.2	5	26.3	10	5.3	2	18.4	7	21.1	8
Electricity/Gas Water	0.0	0	0.0	0	100.0	1	0.0	0	0.0	0
Construction	0.0	0	0.0	0	0.0	0	50.0	1	50.0	1
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	28.6	6	33.3	7	4.8	1	9.5	2	9.5	2
Transport/Storage/ Communication	4.8	1	19.0	4	9.5	2	28.6	6	14.3	3
Finance/Insurance/ Real Estate/Business and Professional Service	11.1	4	30.6	11	13.9	5	19.4	7	11.1	4
Other Service	7.1	1	28.6	4	7.1	1	42.9	6	0.0	0
Overall	10.7	13	26.4	32	9.9	12	23.1	28	13.2	16

[3]Responses equal to number of responses.

Table 9B. Cont.

	Secretarial		Clerical		Manual		Other	
	%	Responses	%	Responses	%	Responses	%	Responses
Manufacturing	2.6	1	2.6	1	10.5	4	0.0	0
Electricity/Gas Water	0.0	0	0.0	0	0.0	0	0.0	0
Construction	0.0	0	0.0	0	0.0	0	0.0	0
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	4.8	1	0.0	0	4.8	1	4.8	1
Transport/Storage/ Communication	9.5	2	9.5	2	0.0	0	4.8	1
Finance/Insurance/ Real Estate/Business and Professional Service	8.3	3	2.8	1	0.0	0	2.8	1
Other Service	7.1	1	0.0	0	0.0	0	7.1	1
Overall	6.6	8	3.3	4	3.3	4	3.3	4

Table 4. Sex of Emigrants

	Male		Female		Number of companies
	Percent	Number	Percent	Number	Number
Manufacturing					
1987	71.4	100	28.6	40	25
1988	63.4	151	36.6	87	36
Electricity/Gas/ Water					
1987	93.1	81	6.9	6	2
1988	87.8	86	12.2	12	1
Construction					
1987	83.3	30	16.7	6	2
1988	62.7	32	37.3	19	5
Wholesale/Retail/ Resturant/Hotel Import/Export					
1987	75.4	52	24.6	17	15
1988	70.1	129	29.9	55	22
Transport/Storage/ Communication					
1987	56.1	88	43.9	69	15
1988	57.6	259	42.4	191	21
Finance/Insurance/ Real Estate/Business and Professional Services					
1987	56.7	293	43.3	224	40
1988	57.7	451	42.3	331	46
Other Services					
1987	43.8	49	56.3	63	17
1988	38.0	84	62.0	137	22
Overall					
1987	61.2	601	38.8	381	103
1988	59.1	1081	40.9	749	139

Table 5. Marital Status of Emigrants

	Single		Married, no kids		Married with kids		Number of companies
	%	Number	%	Number	%	Number	Number
Manufacturing							
1987	34.1	47	19.6	27	46.4	64	23
1988	40.3	95	17.8	42	41.9	99	35
Electricity/Gas/ Water							
1987	27.6	24	14.9	13	57.5	50	2
1988	23.7	27	8.8	10	67.5	77	2
Construction							
1987	19.4	7	27.8	10	52.8	19	2
1988	21.6	11	35.3	18	43.1	22	5
Whole Sale/Retail/ Resturant/Hotel Import/Export							
1987	47.8	32	20.9	14	31.3	21	13
1988	42.3	77	14.8	27	42.9	78	21
Transport/Storage/ Communication							
1987	32.7	64	23.0	45	44.4	87	16
1988	31.1	161	28.8	149	40.0	207	22
Finance/Insurance/ Real Estate/Business and Professional Services							
1987	38.7	182	18.9	89	42.3	199	36
1988	37.1	272	20.2	148	42.8	314	43
Other Services							
1987	45.4	59	26.9	35	27.7	36	18
1988	38.0	82	21.3	46	40.7	88	20
Overall							
1987	35.6	352	20.0	198	44.4	440	99
1988	34.9	648	21.8	404	43.3	803	135

Table 6. Highest Educational Level Attained by Emigrants

	Primary		Secondary		Post-Secondary		Graduate Degree		Post-graduate Degree		Other		Number of companies
	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	Number
Manufacturing													
1987	15.0	21	20.0	28	25.7	36	32.9	46	6.4	9	0.0	0	24
1988	5.0	12	31.3	75	26.7	64	29.6	71	6.7	16	0.8	2	36
Electricity/Gas Water													
1987	13.5	5	32.4	12	8.1	3	16.2	6	0.0	0	29.7	11	2
1988	3.5	4	21.1	24	36.0	41	23.7	27	3.5	4	12.3	14	2
Construction													
1987	0.0	0	11.1	4	38.9	14	38.9	14	11.1	4	0.0	0	2
1988	0.0	0	37.3	19	25.5	13	25.5	13	11.8	6	0.0	0	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export													
1987	1.5	1	33.8	23	27.9	19	26.5	18	5.9	4	4.4	3	14
1988	2.6	5	51.8	99	20.4	39	22.0	42	3.1	6	0.0	0	22
Transport/Storage/ Communication													
1987	3.1	5	29.4	48	41.7	68	16.0	26	8.6	14	1.2	2	15
1988	0.8	4	43.6	209	30.5	146	20.0	96	4.8	23	0.2	1	21
Finance/Insurance/ Real Estate/Business and Professional Service													
1987	0.2	1	43.8	190	20.5	89	27.0	117	8.5	37	0.0	0	36
1988	0.9	6	46.2	316	24.1	165	22.1	151	6.4	44	0.3	2	43
Other Service													
1987	0.0	0	21.7	23	23.6	25	40.6	43	12.3	13	1.9	2	17
1988	3.3	6	31.5	57	31.5	57	21.5	39	5.5	10	6.6	12	19
Overall													
1987	3.7	33	34.4	309	25.8	231	26.4	237	7.8	70	1.9	17	99
1988	2.1	37	41.9	751	26.7	479	22.3	399	5.4	96	1.7	30	136

Table 7. Organizational Grade/Level of Emigrants

	Top Management		Middle Management		Supervisory		Professional		Technical	
	%	Number	%	Number	%	Number	%	Number	%	Number
Manufacturing										
1987	4.3	6	15.7	22	7.1	10	17.9	25	18.6	26
1988	5.3	13	14.2	35	12.2	30	26.8	66	8.5	21
Electricity/Gas Water										
1987	0.0	0	1.8	1	29.1	16	38.2	21	21.8	12
1988	1.4	1	1.4	1	24.3	17	40.0	28	21.4	15
Construction										
1987	5.6	2	13.9	5	36.1	13	33.3	12	2.8	1
1988	3.9	2	13.7	7	17.6	9	37.3	19	3.9	2
Wholesale/Retail/ Restaurant/Hotel/ Import/Export										
1987	5.9	4	25.0	17	7.4	5	20.6	14	10.3	7
1988	6.4	12	14.4	27	15.4	29	11.7	22	10.1	19
Transport/Storage/ Communication										
1987	1.3	2	10.8	17	21.7	34	7.0	11	14.6	23
1988	1.1	4	10.0	37	21.6	80	13.5	50	9.5	35
Finance/Insurance/ Real Estate/Business and Professional Service										
1987	5.2	25	23.5	114	28.9	140	9.3	45	4.7	23
1988	3.4	27	23.3	185	27.9	221	11.2	89	2.5	20
Other Service										
1987	2.9	4	21.9	30	24.1	33	24.1	33	3.6	5
1988	1.4	3	15.8	35	24.3	54	23.4	52	5.4	12
Overall										
1987	3.7	35	19.6	185	25.2	238	14.3	135	7.7	73
1988	3.0	52	17.3	301	23.9	415	15.7	272	6.2	108

Table 7. Cont.

	Secretarial		Clerical		Manual		Other		Number of companies
	%	Number	%	Number	%	Number	%	Number	Number
Manufacturing									
1987	8.6	12	1.4	2	26.4	37	0.0	0	23
1988	15.4	38	4.9	12	12.6	31	0.0	0	36
Electricity/Gas Water									
1987	0.0	0	0.0	0	9.1	5	0.0	0	2
1988	0.0	0	0.0	0	11.4	8	0.0	0	2
Construction									
1987	2.8	1	5.6	2	0.0	0	0.0	0	2
1988	13.7	7	7.8	4	2.0	1	0.0	0	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export									
1987	13.2	9	1.5	1	4.4	3	11.8	8	14
1988	11.2	21	8.0	15	10.6	20	12.2	23	21
Transport/Storage/ Communication									
1987	10.8	17	14.6	23	8.3	13	10.8	17	15
1988	12.7	47	12.2	45	3.8	14	15.7	58	19
Finance/Insurance/ Real Estate/Business and Professional Service									
1987	6.8	33	19.0	92	1.4	7	1.2	6	34
1988	9.6	76	19.7	156	1.8	14	0.6	5	43
Other Service									
1987	2.2	3	10.2	14	0.7	1	10.2	14	18
1988	8.1	18	10.8	24	1.8	4	9.0	20	20
Overall									
1987	6.6	62	12.7	120	6.6	62	3.5	33	96
1988	9.9	172	13.7	237	4.6	79	5.8	100	134

Table 8. Final Basic Salary[2] (Annual) of Emigrants

	Below $50000		$50000-$99999		$100000-$149999		$150000-$249999		$250000-$399999	
	%	Number	%	Number	%	Number	%	Number	%	Number
Manufacturing										
1987	6.7	9	45.9	62	22.2	30	16.3	22	5.2	7
1988	13.8	34	38.2	94	20.7	51	15.0	37	9.3	23
Electricity/Gas Water										
1987	6.1	2	12.1	4	15.2	5	66.7	22	0.0	0
1988	7.9	9	13.2	15	11.4	13	33.3	38	30.7	35
Construction										
1987	5.6	2	27.8	10	38.9	14	11.1	4	16.7	6
1988	3.9	2	45.1	23	27.5	14	7.8	4	9.8	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export										
1987	14.7	10	38.2	26	19.1	13	17.6	12	5.9	4
1988	25.0	48	34.9	67	18.8	36	13.5	26	6.3	12
Transport/Storage/ Communication										
1987	18.5	29	30.0	47	26.8	42	18.5	29	5.7	9
1988	15.1	68	31.6	142	26.9	121	18.2	82	6.7	30
Finance/Insurance/ Real Estate/Business and Professional Service										
1987	9.0	46	27.3	139	33.3	170	22.0	112	6.7	34
1988	5.7	43	28.1	212	31.9	241	23.7	179	9.0	68
Other Service										
1987	13.1	17	25.4	33	34.6	45	18.5	24	7.7	10
1988	8.3	18	27.8	60	44.0	95	13.9	30	5.1	11
Overall										
1987	9.7	91	30.3	283	30.5	285	21.5	201	6.2	58
1988	10.4	190	30.2	550	28.6	520	20.1	366	8.8	160

[2]The salary includes contractual 13th month bonus but excludes discretionary bonuses.

Table 8. Cont.

	$400000-$590000		$600000-$899999		$900000+		Number of companies
	%	Number	%	Number	%	Number	Number
Manufacturing							
1987	3.0	4	0.7	1	0.0	0	21
1988	2.4	6	0.4	1	0.0	0	35
Electricity/Gas Water							
1987	0.0	0	0.0	0	0.0	0	2
1988	3.5	4	0.0	0	0.0	0	2
Construction							
1987	0.0	0	0.0	0	0.0	0	2
1988	5.9	3	0.0	0	0.0	0	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export							
1987	4.4	3	0.0	0	0.0	0	14
1988	1.6	3	0.0	0	0.0	0	23
Transport/Storage/ Communication							
1987	0.6	1	0.0	0	0.0	0	15
1988	1.6	7	0.0	0	0.0	0	21
Finance/Insurance/ Real Estate/Business and Professional Service							
1987	1.6	8	0.2	1	0.0	0	36
1988	1.1	8	0.4	3	0.1	1	45
Other Service							
1987	0.8	1	0.0	0	0.0	0	18
1988	0.5	1	0.5	1	0.0	0	21
Overall							
1987	1.5	14	0.2	2	0.0	0	95
1988	1.6	29	0.2	4	0.1	1	137

Table 9. Has it been difficult to replace the emigrated employees with people of comparable calibre?

Table 9A. Difficulty in replacing emigrated staff.

	Yes		No	
	%	Number	%	Number
Manufacturing	50.0	19	50.0	19
Electricity/Gas Water	50.0	1	50.0	1
Construction	40.0	2	60.0	3
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	65.0	13	35.0	7
Transport/Storage/ Communication	43.5	10	56.5	13
Finance/Insurance/ Real Estate/Business and Professional Service	38.0	19	62.0	31
Other Service	30.4	7	69.6	16
Overall	44.5	65	55.5	81

Table 9B. Difficulty at which level.

	Top Management		Middle Management		Supervisory		Professional		Technical	
	%	Responses[3]	%	Responses	%	Responses	%	Responses	%	Responses
Manufacturing	13.2	5	26.3	10	5.3	2	18.4	7	21.1	8
Electricity/Gas Water	0.0	0	0.0	0	100.0	1	0.0	0	0.0	0
Construction	0.0	0	0.0	0	0.0	0	50.0	1	50.0	1
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	28.6	6	33.3	7	4.8	1	9.5	2	9.5	2
Transport/Storage/ Communication	4.8	1	19.0	4	9.5	2	28.6	6	14.3	3
Finance/Insurance/ Real Estate/Business and Professional Service	11.1	4	30.6	11	13.9	5	19.4	7	11.1	4
Other Service	7.1	1	28.6	4	7.1	1	42.9	6	0.0	0
Overall	10.7	13	26.4	32	9.9	12	23.1	28	13.2	16

[3]Responses equal to number of responses.

Table 9B. Cont.

	Secretarial		Clerical		Manual		Other	
	%	Responses	%	Responses	%	Responses	%	Responses
Manufacturing	2.6	1	2.6	1	10.5	4	0.0	0
Electricity/Gas Water	0.0	0	0.0	0	0.0	0	0.0	0
Construction	0.0	0	0.0	0	0.0	0	0.0	0
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	4.8	1	0.0	0	4.8	1	4.8	1
Transport/Storage/ Communication	9.5	2	9.5	2	0.0	0	4.8	1
Finance/Insurance/ Real Estate/Business and Professional Service	8.3	3	2.8	1	0.0	0	2.8	1
Other Service	7.1	1	0.0	0	0.0	0	7.1	1
Overall	6.6	8	3.3	4	3.3	4	3.3	4

Table 10. Has your localisation programme (to gradually replace expatriates with local staff) been slowed down as a result of emigration loss?

	Yes		No		With such programme	
	%	Number	%	Number	%	Number
Manufacturing	20.0	2	80.0	8	25.0	10
Electricity/Gas Water	0.0	0	0.0	0	0.0	0
Construction	33.3	1	66.7	2	75.0	3
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	57.1	4	42.9	3	31.8	7
Transport/Storage/ Communication	8.3	1	91.7	11	54.5	12
Finance/Insurance/ Real Estate/Business and Professional Service	42.9	6	57.1	8	29.2	14
Other Service	0.0	0	100.0	4	20.0	4
Overall	28.3	13	71.7	33	31.3	46

Table 11. Have you been hiring more expatriates?

	Yes, due to emigration		Yes, other reason(s)		No	
	%	Number	%	Number	%	Number
Manufacturing	2.5	1	22.5	9	75.0	30
Electricity/Gas Water	0.0	0	0.0	0	100.0	1
Construction	0.0	0	40.0	2	60.0	3
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	4.5	1	27.3	6	68.2	15
Transport/Storage/ Communication	4.5	1	36.4	8	59.1	13
Finance/Insurance/ Real Estate/Business and Professional Service	16.3	8	26.5	13	57.1	28
Other Service	5.0	1	10.0	2	85.0	17
Overall	6.8	10	23.8	35	69.4	102

Table 12. Have you hired more people than you need to avoid potential staff shortage caused by emigration?

	Yes		No	
	%	Number	%	Number
Manufacturing	15.8	6	84.2	32
Electricity/Gas Water	50.0	1	50.0	1
Construction	0.0	0	100.0	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	9.5	2	90.5	19
Transport/Storage/ Communication	4.8	1	95.2	20
Finance/Insurance/ Real Estate/Business and Professional Service	4.5	2	95.5	42
Other Service	0.0	0	100.0	19
Overall	8.0	11	92.0	126

Table 13. Will you hire more people than you need to avoid future emigration loss?

	Yes		No	
	%	Number	%	Number
Manufacturing	23.7	9	76.3	29
Electricity/Gas Water	50.0	1	50.0	1
Construction	0.0	0	100.0	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	11.1	2	88.9	16
Transport/Storage/ Communication	4.5	1	95.5	21
Finance/Insurance/ Real Estate/Business and Professional Service	4.7	2	95.3	41
Other Service	0.0	0	100.0	21
Overall	10.4	14	89.6	120

Table 14. Have you been promoting your emmployees (or some employees) faster than usual in order to fill the spaces left by emigrated staff?

	Yes		No	
	%	Number	%	Number
Manufacturing	62.2	23	37.8	14
Electricity/Gas Water	50.0	1	50.0	1
Construction	25.0	1	75.0	3
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	90.0	18	10.0	2
Transport/Storage/ Communication	59.1	13	40.9	9
Finance/Insurance/ Real Estate/Business and Professional Service	53.5	23	46.5	20
Other Service	47.6	10	52.4	11
Overall	58.1	79	41.9	57

Table 15. Because of emigration, have you had to offer highest salaries (exceed the inflationary adjustment) to recruit local replacement?

	Yes		No	
	%	Number	%	Number
Manufacturing	45.9	17	54.1	20
Electricity/Gas Water	50.0	1	50.0	1
Construction	20.0	1	80.0	4
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	70.0	14	30.0	6
Transport/Storage/ Communication	71.4	15	28.6	6
Finance/Insurance/ Real Estate/Business and Professional Service	52.1	25	47.9	23
Other Service	28.6	6	71.4	15
Overall	50.7	72	49.3	70

Table 16. Do emigration put any strain on budget for Training and development?

	A lot of strain		Some		Very little		None at all	
	%	Number	%	Number	%	Number	%	Number
Manufacturing	2.5	1	37.5	15	27.5	11	32.5	13
Electricity/Gas Water	50.0	1	50.0	1	0.0	0	0.0	0
Construction	0.0	0	0.0	0	66.7	4	33.3	2
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	9.5	2	33.3	7	42.9	9	14.3	3
Transport/Storage/ Communication	13.0	3	52.2	12	13.0	3	21.7	5
Finance/Insurance/ Real Estate/Business and Professional Service	8.0	4	38.0	19	36.0	18	18.0	9
Other Service	4.3	1	30.4	7	21.7	5	43.5	10
Overall	7.3	11	36.7	55	28.7	43	27.3	41

Table 17.-Table 20. are related to special arrangement for employees emigrating but may return in future

Table 17. Do you grant any special leave of absence for them?

	Yes		No	
	%	Number	%	Number
Manufacturing	29.7	11	70.3	26
Electricity/Gas Water	0.0	0	100.0	2
Construction	0.0	0	100.0	6
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	19.0	4	81.0	17
Transport/Storage/ Communication	26.3	5	73.7	14
Finance/Insurance/ Real Estate/Business and Professional Service	10.2	5	89.8	44
Other Service	4.8	1	95.2	20
Overall	18.6	26	81.4	114

Table 18. Do you arrange any employment abroad through overseas subsidiary/branch for them?

	Yes		No	
	%	Number	%	Number
Manufacturing	20.0	5	80.0	20
Electricity/Gas Water	0.0	0	0.0	0
Construction	0.0	0	100.0	3
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	29.4	5	70.6	12
Transport/Storage/ Communication	41.7	5	58.3	7
Finance/Insurance/ Real Estate/Business and Professional Service	39.5	15	60.5	23
Other Service	22.2	2	77.8	7
Overall	31.2	29	68.8	64

Table 19. Do you arrange any employment abroad through overseas companies or organizations for them?

	Yes		No	
	%	Number	%	Number
Manufacturing	3.2	1	96.8	60
Electricity/Gas Water	0.0	0	100.0	2
Construction	0.0	0	100.0	5
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	0.0	0	100.0	19
Transport/Storage/ Communication	10.0	2	90.0	18
Finance/Insurance/ Real Estate/Business and Professional Service	2.1	1	97.9	46
Other Service	5.0	1	95.0	19
Overall	3.8	5	96.2	126

Table 20. Do you provide any continuity link or channels to keep in touch with them?

	Yes		No	
	%	Number	%	Number
Manufacturing	24.2	8	75.8	25
Electricity/Gas Water	100.0	1	0.0	0
Construction	33.3	2	66.7	4
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	22.2	4	77.8	14
Transport/Storage/ Communication	15.0	3	85.0	17
Finance/Insurance/ Real Estate/Business and Professional Service	30.4	14	69.6	32
Other Service	19.0	4	81.0	17
Overall	21.4	28	78.6	103

Table 21. Has the number of returnees[4] on your staff been rising?

	Yes		No		No returnees	
	%	Number	%	Number	%	Number
Manufacturing	17.1	7	34.1	14	48.8	20
Electricity/Gas Water	50.0	1	0.0	0	50.0	1
Construction	0.0	0	50.0	2	50.0	2
Wholesale/Retail/ Restaurant/Hotel/ Import/Export	19.0	4	19.0	4	61.9	13
Transport/Storage/ Communication	27.3	6	31.8	7	40.9	9
Finance/Insurance/ Real Estate/Business and Professional Service	22.9	11	35.4	17	41.7	20
Other Service	10.5	2	21.1	4	68.4	13
Overall	18.9	27	28.0	40	35.1	76

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[4]Returnees are those Hong Kong native now holding dual citizenship or foreign passport.